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# American Newsfile

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293 HORNBY ROAD, BOMBAY.

"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 1, 1946



## EDITORIALS APPROVE LOAN TO BRITAIN

New York, Jan. 31 -- The New York Times in an editorial today approved the U.S. loan to Britain as a measure designed to eliminate possible wasteful competition between the United States and Britain. The editorial said in part:

"President Truman made a good case for the British loan in his message to Congress yesterday. If Congress approves, and this credit is advanced, it can be expected to hasten Britain's recovery and diminish the chance for wasteful economic competition between the two countries.

"A military war between the United States and Britain has long been unthinkable, and remains so. An economic war might have occurred, with blocked currencies and trade discrimination as its weapons. Now we can hope that the dollar and the pound will march side by side and that the financial and commercial policies of the great nations will rest on the truth that prosperity, like peace, is indivisible."

The Philadelphia Inquirer

Philadelphia Inquirer said: "President Truman made out the strongest possible for the proposed 3,750-million-dollar loan to Great Britain. Congress, in considering this loan proposal in all its aspects, should make it plain that no precedent is being established for other nations now seeking financial assistance. Undoubtedly there are special considerations in the case of Britain. If the hopes and promises of its supporters are fulfilled it may prove to be 'good business' for the United States in the end." --USIS.

"ALL ASPECTS OF BRITISH LOAN WILL BE STUDIED"

Washington, Jan. 30 -- Legislation to consider the loan to Britain was introduced today in the House of Representatives by Congressman Brent Spence (Democrat of Kentucky), chairman of the House Banking Committee. In introducing legislation Spence said in part:

"From what I have heard of the sentiment of the House of Representatives, we are going to consider this question with open minds. It is our job to find out what this agreement means for the United States. We intend to do this at hearings. These hearings are going to be fair and full. We have no wish to consider the legislation by Congress; but we are determined to find out all facts. That is our duty and that is what we are going to do! Although prepared as a joint Senate-House resolution, the measure has not been introduced in the Senate). --USIS.

The text of President Truman's message to Congress on the United States loan to Britain appears as a Special with this issue of the American Newsfile.

The Ph

case 5. BH COMMONWEALTH UNITS MOVING INTO JAPAN SHORTLY

Cor Washington, Jan. 31 -- The State Department has announced that the United States government has now formally accepted the participation of British Commonwealth forces in the occupation of Japan. First units of these forces will move into Japan within a week.

The Commonwealth force is to be drawn from the United Kingdom, Australia, New Zealand and India and will include a land component, an air component and a squadron of the British Pacific fleet, which is stationed in Japanese waters. The British Commonwealth Occupation Forces (BCOF) will form part of the occupation forces in Japan under the command of General Douglas MacArthur, Supreme Commander for the Allied powers. Australian Lieutenant General J. Northcott will be the commander-in-chief of BCOF.

BCOF will be initially located in the Hiroshima prefecture of Japan, which includes the cities of Kure and Fukuyama. It will exercise military control of the area but will not be responsible for its military government, which remains a responsibility of the United States agencies.

Participation of BCOF in the occupation of Japan is in line with the policy made public by President Truman on September 22, which stated that "participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected."

Invitations were extended also to the governments of China and the USSR to send troops to participate in the occupation. China informed the United States government that it is not in a position to send a contingent at the present time. The USSR has decided not to participate.

General MacArthur, in a message, extended a hearty welcome to the British Commonwealth occupation forces and said their presence will lighten a burden which of necessity has hitherto been borne by the United States alone. ---WSIS.

FINLAND GRANTED LOAN OF 35 MILLION DOLLARS BY EXPORT-IMPORT BANK

Washington, Jan. 31 -- Approval of a credit line and loan agreement between the republic of Finland and the United States Export-Import Bank of Washington by its board of directors was announced today by Wayne C. Taylor, president of the Export-Import Bank. A line of credit of 35 million dollars is provided by the Bank upon which Finland may draw for purchases in the United States of urgently needed materials, equipment and services.

In addition, the agreement provides for refunding existing loans from the Export-Import Bank to the Finnish-American Trading Corporation which, with principal and interest, total approximately 25 million dollars. These existing credits were guaranteed by the republic of Finland.

Finland has estimated that it will ultimately require additional dollar credits to meet its reconstruction and reconversion requirements. The present credit, however, is as large as the Export-Import Bank feels is consistent with the many demands upon its funds, it was pointed out.--USIS.

U.S. WHEAT STOCKS REGISTER A FALL FROM 1945

Washington, Jan. 30 -- Wheat stocks in the United States were 17 per cent smaller on January 1, 1946, than on January 1, 1945, the Department of Agriculture reported yesterday. The Department said stocks of corn were about nine per cent smaller than on January 1 last year. Oat stocks were 36 per cent larger than a year earlier and 43 per cent larger than two years earlier. Barley reserves were ten per cent less than on January 1, 1945. Rye stocks were a little more than half as large as a year earlier. The combined stocks of these grains total 3,949 million bushels. Five hundred and twenty-seven million of this total were in off-farm storages with all the rest on farms. Wheat stored in all places, on and off farms, on January 1, 1946, totaled 689 million bushels.

An intensive drive to encourage increased movement of wheat from farms to farm export committees between now and July 1, the beginning of the next marketing year, has been started by the department. Of the wheat intended for export during the year ending next June, only about half has been exported, Secretary of Agriculture Clinton P. Anderson said.--USIS.

U.S. FOREIGN TRADE IN FIRST EIGHT MONTHS OF 1945 DECLINES

Washington, Jan. 30 -- U.S. foreign trade during the first eight months of 1945 showed an all-round decline according to Department of Commerce figures just issued. Following are highlights of the report:

The Bureau of Census has announced that the decline in United States exports in the first eight months of 1945 to 7,320 million dollars, 25 per cent below the same period in 1944, reflected principally decreased lend-lease exports of most military equipment items, meat products, lard, lubricating oil, various metal semi-manufactures and industrial machinery.

Counterbalancing these decreases to some extent were heightened lend-lease and non-lend-lease shipments of manufactured cotton and tobacco, crude food-stuffs like wheat and corn, fresh and canned vegetables, agricultural machinery and automotive equipment and parts.

United States imports for consumption during the first eight months of 1945 totaled 2,811 million dollars, eight per cent higher than the corresponding 1944 value. The increase in imports occurred principally in some foodstuffs, in semi-manufactures such as cut diamonds, industrial chemicals and fertilizers and in textile manufactures and newsprint. Imports of oilseed, cheese, distilled spirits and wines showed decreases.

The total value of all exported finished manufactures during August 1945 amounted to 465 million dollars. Lend-lease exports represented 63 per cent of this figure.

Exports of agricultural machinery meanwhile rose to 16 million dollars during August 1945.

Excluded from the export figures are shipments to the U.S. armed forces abroad, shipments between continental United States and United States territories and possessions, and shipments between territories and possessions. ---USIS.

PROGRESS OF REPATRIATION OF DISPLACED PERSONS REVIEWED

Cambridge, Massachusetts, Jan. 31 -- George L. Warren, State Department adviser on refugees and displaced persons, in an address at Radcliffe College, reviewed the problem of international migration in Europe and Asia and maintained that the trend of thinking on the subject now "appears to be toward selective immigration with interest focussed on those immigrants possessing particular professional, technical or agricultural qualifications required to balance the internal economy of the country concerned." He said:

"It appears unlikely that immigration policies will become clarified until the level of economic activity in the postwar world is more clearly indicated. A high level of economic activity with full employment of industrial and agricultural workers may facilitate the immigration movement.

"The inevitable upsurge of nationalism resulting from the war may tend to redistribute populations on political and ethnographic lines without adequate consideration for cultural and economic factors, which will need to be taken into account in the building of a lasting peace. War needs urged that the field of international migration be given more attention by research bodies in a manner commensurate with its importance in the international scene.

"Repatriation in Europe will be resumed and probably completed in the spring of 1946. Only then will it be possible to determine the number of repatriables who will be unable or unwilling to return to their countries of origin. Within four months in the summer of 1945 over five and a half million displaced persons were returned to their home countries from western Germany and Austria. One and a quarter million are still cared for in misplaced persons' centers, awaiting repatriation. Practically all western European and Soviet nationals, including Italians, have been returned. Poles constitute the largest national group remaining, their repatriation having been delayed by large movement of Russians eastward and lack of adequate reception facilities in Poland last summer.

"In the . . .

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"In the Far East, displacement of civilian populations has been comparable in numbers to that in Europe. In China no reliable estimate of the movement westward from the coast has become available. A total in excess of 20 million is considered conservative.

"Internal displacement of all nationalities in Japan has been in the region of 12 million. Included in this figure are two million prisoners who are being repatriated to Korea. Repatriation of six and a half million Japanese civilians from China, Manchuria, Korea, Formosa, former Japanese mandated islands and other areas in the Far East is just beginning to get under way."

Warren concluded on the subject of displaced persons by pointing out that "no claim is advanced as to the accuracy of the figures presented in this review. They are presented for consideration without observations as to repatriations. For us is left the task of building a world in which this sordid record may not be repeated."---USIS.

#### AGREEMENT ON KURILES NOT TO BE MADE PUBLIC YET

Washington, Jan. 31 -- A State Department spokesman said yesterday that because of one or two inquiries as to whether the agreement with reference to the Kurile Islands could be made public, the Secretary of State discussed the matter with President Truman and they concluded that it would not be proper to make the agreement public without first submitting the matter to the governments of Great Britain and the Soviet Union, the other parties to the agreement. The spokesman said that the Secretary of State will communicate with the other two governments.

---USIS.

#### COMMITTEE APPOINTED TO DRAFT NEW NATIONAL DEFENSE ACT

Washington, Jan. 31 -- House chairman Andrew J. May today named a nine-member subcommittee of the House Military Committee to draft a new national defense act. The group, May said, will undertake to solve the problems dealing with a permanent postwar army.---USIS.

MCNARNEY REPORTS FRENCH OPPOSITION TO CENTRAL ADMINISTRATION IN GERMANY

Washington, Jan. 31 -- General Joseph T. McNarney, U.S. commander in Germany, in his monthly report to President Truman, said yesterday that continued opposition by France to the creation of central administrative agencies for Germany remains the chief obstacle to restoration of a sustaining economy. He added that economic conditions in Germany were still "unsatisfactory in virtually every respect."

Sufficient food was available, however, to permit a higher caloric consumption level by the normal consumer than at any other time since the occupation began, despite arrival of winter and failure by German farmers to meet delivery quotas. But McNarney warned that maintenance of normal consumer rations at the 1,550-calorie level until the end of the present crop year on September 30 would necessitate food imports totaling 1,147,690 metric tons and the maximum production of direct consumption crops.

German export trade is virtually non-existent, McNarney continued, although plans are well under way to reactivate exports gradually in order to pay for economic activity.

McNarney reported that the new agency of the civil government, the Laenderrat or council of states, had given "complete cooperation and performed a large amount of important work." Obedience and cooperation of the German population, he said, remain "surprisingly good and gratifying." ---USIS.

CALLS FOR SENATE INQUIRY INTO FOOD SITUATION IN EUROPE

Washington, Jan. 31 -- Senator Kenneth S. Wherry, Republican from Nebraska, introduced a resolution in the Senate Wednesday calling for the appointment of a 12-man Congressional committee to investigate the food situation in Europe, particularly in Germany, Austria and Italy. ---USIS.

DR. PARRAN URGES EXPANDED HEALTH PROGRAM FOR U.S.

Washington, Jan. 31 -- Recommendations for aggressively attacking the nation's peacetime health problems were made in the seventy-third annual report on the United States Public Health Service, transmitted yesterday by Surgeon General Thomas Parran to Federal Security Administrator Watson B. Miller. The report, covering all activities of the national health agency for the fiscal year ended June 30, 1945, was sent to Congress today.

During the war the nation's health did not lose ground, the Surgeon General reported. "We have not progressed; neither have we retrogressed," he stated. Stressing that "such passive maintenance of present health standards is not enough," Dr. Parran declared that "in the peaceful years ahead, we must take up aggressively the task of improving the people's health."

To accomplish the task of improving the people's health, the Surgeon General made specific recommendations for enlarging all existing public health services; for training more health personnel to build up an "army of health"; for an immediate increase of health facilities; and increased research in the medical and scientific fields.

To build up all public health services the Surgeon General recommended expansion and intensification of all preventive services; establishment of a basic health staff with well-trained personnel for every community in every part of the country; establishment of mental health programs at the community level and of bedside care as part of public health nursing programs; and continuation by states and communities of environmental health work, carried on during the war through federal appropriations.

Along with these basic services, Doctor Parran said that facilities for the rapid treatment of venereal diseases and modern malaria control programs be built immediately into the permanent programs of state and local agencies.

To build up the needed "army of health," the Surgeon General called for

joint action ...

joint action by all official and non-official agencies to assure training of sufficient personnel. He said that today there is a serious shortage in every category of health personnel.

He said the necessity for expansion and intensification of scientific research in the medical and health fields was brought out forcibly during the war. He reported there was no significant increase in the general death-rate in the United States during the war years, infant mortality had declined, the incidence of malaria was lower, and industrial health services were more widely available than at any previous period.

Dr. Parran declared that it is certain that the people of the United States have come out of the war strengthened in their purposes to attain the broad objective in public health -- equal opportunity to secure a complete health and medical service.--USIS.

#### WALLACE URGES FREE EXPLOITATION OF PEACETIME USES OF ATOMIC ENERGY

Washington, Jan. 31 -- Secretary of Commerce Henry A. Wallace, in testimony today before the Senate special committee on atomic energy, endorsed the McMahon bill for domestic control and urged that free private enterprise be afforded an opportunity to fully exploit the peacetime potentialities of atomic energy.

Secretary Wallace referred to the international policy which the United States has sponsored, and which other members of the United Nations have accepted in principle, for agreements among all nations not to develop or use atomic weapons and for an international inspection system, and said the American domestic legislation must be designed to fit into such arrangements and must not give other nations any reason to doubt that international control is the United States policy.

Wallace added: "We can best deal with the great problems which face us by closely adhering to the fundamental principles of freedom and democracy so firmly rooted in our constitution and in our traditions. We must insist on adherence to the traditional principle of civilian control over military matters."  
--USIS.

TRUMAN APPEALS FOR SUPPORT TO LIVING MEMORIAL OF ROOSEVELT

Washington, Jan. 31 -- President Truman last night climaxed the nation-wide Infantile Paralysis Fund drive with a brief radio address, which said in part:

"Fellow Americans: Tonight would have been the 64th birthday of Franklin Delano Roosevelt. In a life dedicated to his fellow-men, the fight against infantile paralysis was only one which he waged for the welfare of humanity. Some day there will be written the full story of what Franklin Roosevelt gave to others. Some day there will be a deeper, fuller appreciation of his infinite love for the man who had less money, less strength, less chance, less health.

The National Foundation for Infantile Paralysis, which he founded in 1938, is a living thing dominant in his memory of mankind. It is a symbol of his sacrifice and courage. It has become a living tradition. The fight to conquer infantile paralysis is an unfinished task of Franklin Delano Roosevelt. It must, and shall be carried to complete victory. I am happy to be able to lend my support to this cause, and I am glad to do it also because of my conviction that the health of the people is the direct concern of the government."---USIS.

"SPANISH REPUBLICAN GOVERNMENT IN EXILE SHOULD BE RECOGNISED BY UNITED NATIONS"

Washington, Jan. 31 -- The American Federation of Labor yesterday called upon the State Department to recognize the Spanish Republican Government in exile. The AFL executive council approved unanimously a statement asserting that recognition of the exiled government "should greatly hasten the triumphant evolution of democracy in Spain."

Particularly in view of the distressing events in the Argentine, whose Nazi-minded government is persecuting the forces of labor, liberalism and democracy, it is vital for the United States to foster the growing solidarity between the republics of Latin America and the reviving Spanish democracy, the Council said. The Council further proposed that the United States representative at the conference on Spain, initiated by France, should champion recognition of the Spanish republican government in exile as now constituted by all the United Nations.---USIS.

BYRNES EXPRESSES CONCERN OVER POLISH POLITICAL DEVELOPMENTS

Washington, Jan. 31 -- In answer to a question regarding allegations that murders of a political nature are taking place in Poland, Secretary of State Byrnes said in a statement that recent reports indicated that a number of murders have taken place in which, in some instances, prominent members of political parties have been the victims. The statement added:

While this government is fully conscious of the unsettled conditions which necessarily existed in Poland upon its liberation after nearly six years of occupation and realizes the difficulties encountered by the Polish Provisional Government in restoring order under such conditions, nevertheless it is regrettable that the Polish secret police appear to have been implicated in a number of these cases.

In view of the responsibilities assumed by the United States government at Potsdam, looking to the establishment of a democratic representative government in Poland, this government must necessarily follow closely Polish political developments. The greatest importance is attached to the fulfilment of Poland's election commitments, and the American ambassador has on several occasions brought to the attention of the Polish government the fact that the activities of the secret police hinder the fulfilment of this commitment.

I have, therefore, directed the American embassy in Warsaw to inform the Polish government that we are relying on the government to take the necessary steps to assure to all citizens the freedom and security which are essential to the successful holding of free elections. ---USIS.

COMBINED RUBBER COMMITTEE FORMED

Washington, Jan. 31 -- The Civilian Production Administration yesterday announced the formation of a Combined Rubber Committee, with membership representing the six major rubber producing and consuming countries. George Tisdale of OPA said the Committee would continue international allocation and control over rubber supplies during the period of world shortage. Member-countries of the new Committee are Belgium, Canada, France, the Netherlands, United Kingdom and the United States. ---USIS.



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## TRUMAN'S MESSAGE TO CONGRESS ON LOAN TO BRITAIN

Washington, Jan. 31 -- The White House yesterday released the following text of the President's message to Congress on the proposed American loan to Britain:

The establishment of a permanent state of peace and prosperity is not a simple matter. Creation and maintenance of conditions under which nations can be prosperous and remain peaceful involves a series of highly complex and difficult problems. If we are to reach this greatly desired goal, we must be prepared at all times to face the issues that will constantly present themselves and we must be determined to solve them. If peace is to be permanent we must never relax our efforts to make it so.

In his message to Congress recommending approval of Bretton Woods Agreements, President Roosevelt called those proposals "a cornerstone for international economic cooperation." By enacting the Bretton Woods Agreements Act, the 79th Congress laid this cornerstone for the construction of an orderly economic peace. Congress took many other steps during the same session which enlarged the structure, and its achievements in this field are a just cause for pride.

Among the most important of these other steps were ratification and implementation of the treaty establishing UNO, enactment of legislation to support the United Nations Food and Agriculture Organization and to carry on operations of UNRRA, extension in a broader form of the Reciprocal Trade Agreements Act, and expansion of the Export-Import Bank. These steps will take us a long way on the road to world-wide security and prosperity. They should not make us blind, however, to the job that has not been done -- to the work that lies ahead.

## Measures For International Economic Cooperation

In approving the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development, Congress specifically expressed its belief that additional measures for international economic cooperation would be necessary to render most effective the operations of the Fund and the Bank. In the Bretton Woods Agreements Act, Congress declared it to be the policy of the United States to seek to bring about further international agreement and cooperation along these lines.

The International Monetary Fund agreement was drafted and the Bretton Woods Agreements Act was enacted during the war. Both recognized that the financial condition of some countries resulting from the war might make it impossible for them to apply at once the fundamental rule of non-discrimination in their monetary and financial transactions. Therefore, provision was made for a transition period

which might . . .

which might postpone as long as five years complete application of this fundamental rule.

Now in time of peace, as we rapidly proceed with the organization of the International Monetary Fund, we find that fears which were responsible for this period of grace are verified by the facts. The most important of these facts is that the United Kingdom, as a result of the war, must continue for a long period many of its emergency wartime financial controls unless it obtains additional working capital. It is apparent that in the case of a principal member of the International Monetary Fund, we can ill afford to wait for the period permitted by the Bretton Woods Agreements for removal of these hindrances to financial and commercial relationships between nations.

Now is the time to establish the postwar monetary and financial policies of the United Nations. Now is the time to take action to enable the United Kingdom to move with us toward prompt abolition of these restrictions. For these reasons the next order of international business before the Congress should be our financial relations with the United Kingdom. The problems involved, which are severe but not insoluble, are direct consequences of the war. They are matters of urgent urgency and I believe that the financial agreement which I am transmitting herewith furnishes a real basis for their solution. It is my earnest hope that the Congress will implement the financial agreement as speedily as is consistent with careful legislative consideration.

#### Influence on World Trade

It is not too much to say that the agreement now transmitted will set the course of American and British economic relations for many years to come. In doing it will have a decisive influence on international trade of the whole world. Those who represented the United States in these discussions and those who represented the United Kingdom were fully aware of the fundamental nature of the problem before them. After long and careful consideration they agreed upon arrangements which, in my opinion, will provide a solid foundation for successful conduct of our economic relations with each other and with the rest of the world.

The financial agreement will by its terms come into operation only after Congress has made available the funds necessary to extend to the United Kingdom the line of credit of 3,750 million dollars, in accordance with the terms set forth in the agreement. Britain needs this credit and she needs it now. It will assist her to meet the expected deficit in her balance of payments during the six years. It will enable her to buy from the world the supplies of food and materials which are essential to the life and work of the British people. At the same time it will keep open a market for those surpluses of the United States which are customarily exported to the United Kingdom. These are the important short-term purposes of the credit.

But the financial agreement is much more than a credit. Let me repeat -- its most important purpose from our point of view is to cause the removal of emergency controls exercised by the United Kingdom over its international transactions far more speedily than is required by the Bretton Woods Agreements. The financial agreement will enable the United Kingdom, through the prompt relaxation of exchange regulations and discriminations, to move side by side with the United States toward the common goal of expanded world trade, which means expanded production, consumption and employment and rising standards of living everywhere.

The line . . .

The line of credit which will be extended to the United Kingdom under the agreement may be drawn upon until the end of 1951. At that time the United Kingdom will be obligated to begin repayment of principal with interest and those payments will continue over a period of 50 years.

These terms are neither unusual nor difficult to understand. There is one new concept, however, embodied in the terms of the credit. We have recognized conditions may exist temporarily during such a long period of time which would make payment of interest on such a large amount difficult if not impossible. Accordingly, provision has been made for the waiver of interest by the United States government after certification by the International Monetary Fund as to facts regarding the balance-of-payments position of the United Kingdom. It is not to our advantage to press for payment of interest when payment is impossible and thus force default and a crumbling of international economic relations.

#### Early Removal of Controls

The financial assistance which the United Kingdom would receive under the agreement has made it possible for the two governments to agree on a specific course of action which, in a short period of time, will result in removal of emergency controls over foreign exchange and discriminatory import restrictions and re-establishment of peace-time practices designed to promote the recovery of world trade.

Britain has agreed to abolish the so-called "sterling area dollar pool." She has agreed to give up most of her rights during the transition period provided for in the International Monetary Fund agreement and thus to abandon controls over foreign exchange, which she would otherwise be permitted by terms of that agreement to continue for a considerable period of time. In addition to the direct benefits which will flow from this stimulus to Anglo-American trade, there will be added benefits derived from the ability of other nations to relax their restrictions once the United Kingdom has led the way.

Another troublesome financial problem which has been fully and frankly discussed by the two nations is that of the sterling liabilities of Great Britain which have resulted from her large purchases abroad during the war. In the financial agreement the British government has undertaken to adjust and settle these obligations out of resources other than the American credit and has outlined its intentions with respect to their settlement.

Our concern in this connection is two-fold. In the first place we want other countries which are in a position to do so to grant assistance to the United Kingdom within their means. Those which hold large sterling balances can do so by scaling them down. In the second place we want to be certain that liquidation of these balances will not discriminate against American trade. The financial agreement contains a specific undertaking by the government of the United Kingdom that no such discrimination shall result from these settlements.

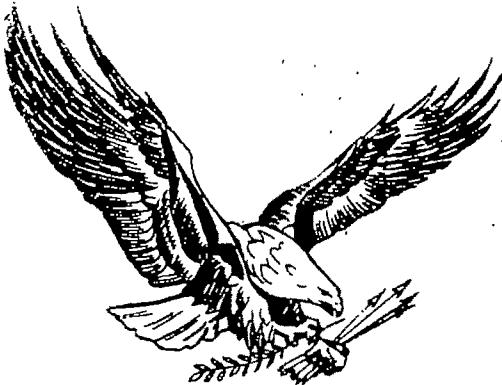
The financial agreement also makes it possible for the United Kingdom to give wholehearted support to the proposals for expansion of world trade and employment which the United States has recently put forward as a basis for international discussions by the United Nations. In the joint statement on commercial policy presented at the same time as the financial agreement, the United Kingdom has undertaken to support these proposals and to use its best endeavors, in cooperation with nations, to bring to a successful conclusion the international

discussions based . . .

discussions based upon them. Implementation of the financial agreement will be a great contribution to the establishment of a permanent state of peace and prosperity. We are all aware of the dangers inherent in unchecked economic rivalry and economic warfare. These dangers can be eliminated by the firm resolution of this nation and the United Kingdom to carry forward the work which has been so well begun.

The financial agreement transmitted herewith means that instead of economic controversy between the two countries, the wise rules of the Bretton Woods Agreements will be fully effective much sooner than we believed possible when the Congress enacted the Bretton Woods Agreements Act. I urge that the Congress act on the financial agreement promptly. ---US IS.

EDITOR'S NOTE - A summary of the terms of the proposed United States loan to Britain appeared in the American Newsfile of December 10, 1945.



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-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 4, 1946

TRUMAN'S FIVE-POINT PROGRAM FOR ATOMIC ENERGY CONTROL

Washington, Feb. 2 -- President Truman today recommended a five-point program for the establishment of an Atomic Energy Commission of civilians and endorsed Government control of fissionable materials, as distinguished from source materials. He said that the commission should have power to carry out international agreements relating to the control of atomic energy and dissemination of information. The President's recommendations were outlined in a letter to Senator McMahon, chairman of the Special Senate Committee on Atomic Energy. Following is the text of the letter:

"You have requested my views on the bill (S.1717) for the domestic development and control of atomic energy. I wish to give you my thoughts at this time because I consider the subject of paramount importance and urgency, both from the standpoint of our welfare at home and that of achieving a durable peace throughout the world.

"I appreciate the thorough and impartial manner in which atomic energy

hearings have . . .

hearing have been held before your committee. I believe that the hearings, in keeping with democratic tradition, have aided the people in obtaining a clearer insight into the problems which such a legislation must meet. You will recall that I sent a special message to Congress on October 3, 1945, calling for legislation to fix a policy for the domestic control of atomic energy. Since then I have given considerable time to the further study of this most difficult subject. I have had the advantage of additional technical information and expressions of public opinion developed at the hearings. With this background I feel prepared to recommend in greater detail than before what I believe to be the essential elements of a sound atomic energy legislation:

Civilian Control Commission

"First: A commission established by Congress for the control of atomic energy should be composed exclusively of civilians. This should not be interpreted to disqualify former military personnel from membership, and is in accord with the established American principles embodied in our statutes since 1870. I would prefer a three-man commission in lieu of a larger group, which administrative experience has shown unwieldy. It is essential that members of the commission be full-time Government employees.

"Second: The Government must be the exclusive owner and producer of fissionable materials. (Fissionable materials are, of course, to be distinguished from source materials from which fissionable materials may be derived. By fissionable materials, I mean such as U-235, or plutonium, or any substance enriched in these beyond its natural state). It follows that there should be no private patents in this field of exclusive Government activity. The disadvantages of Government monopoly are small compared to the danger of permitting anyone other than the Government to own or produce these crucial substances, the use of which affects the safety of the entire nation. The benefits of atomic energy are the heritage of the people; they should be distributed as widely as possible.

"Third:

"Third: Consistent with these principles, it is essential that devices utilizing atomic energy be made fully available for private development through compulsory, non-exclusive licensing of private patents and regulation of royalty fees to insure their reasonableness. These provisions will assure widespread distribution of the benefits of atomic energy while preserving the royalty incentive to maintain the interest of private enterprise.

"Fourth: In my message of October 3, 1945, I wrote: 'Our science and industry owe their strength to the spirit of free inquiry and the spirit of free enterprise that characterize our country.... (This) is our best guarantee of maintaining the pre-eminence of science and industry upon which our national well-being depends.' Legislation in this field must assure genuine freedom to conduct independent research and must guarantee that controls over the dissemination of information will not stifle scientific progress. The atomic energy legislation should also insure coordination between the research activities of the commission and those of the proposed National Science Foundation, now under consideration by the Congress.

"Fifth: Each of the foregoing provisions for domestic control of atomic energy will contribute materially to the achievement of a safe, effective international arrangement making possible the ultimate use of atomic energy for exclusively peaceful and humanitarian ends. The commission should be in a position to carry out at once any international agreements relating to inspection, control of the production of fissionable materials, dissemination of information, and similar areas of international action.

#### Sound Domestic Legislation Needed

"I feel that it is a matter of urgency that a sound domestic legislation on atomic energy be enacted with the utmost speed. Domestic and international issues of the first importance wait upon this action.

"To your . . .

"To your committee, pioneers in legislation of vast promise for our people and all peoples, there beckons a place of honor in history."

Senator McMahon said that the President's letter pleased him very much and added: "It seems to me to be an endorsement of the bill (S. 1717) which I sponsored. The bill proposes a commission of five men rather than three, but I am sure the committee will give the President's suggestion due consideration."

Senator McMahon said he had asked the committee to submit immediately the names of those needed for further testimony on the general subject, and hoped that ten days more of hearings, in addition to the previous five weeks, would be sufficient. The Senator said that he would discuss the international angles again with Secretary of State Byrnes, and that Secretary of War Patterson would testify at the hearings. He explained that the bill was designed to "fit into any international agreement to be made." ---USIS.

#### NAVY REPORTS U.S. SUBS SANK 1,750 JAPANESE MERCHANT SHIPS, 194 WARSHIPS

Washington, Feb. 2 -- United States submarines sank 1,750 Japanese merchant vessels and 194 Japanese combat vessels from December 7, 1941, to August 15, 1945, according to a Navy Department report issued tonight.

The report said that "great justification of submarine warfare is the success they (the submarines) achieved in their major task of destroying Japanese navy and merchant ships." In addition, the report said, submarines carried supplies to beleaguered Corregidor, supplied and reinforced guerillas in the Philippines and rescued 504 Allied aviators from enemy-controlled areas in the Pacific.

The report stated that these achievements were accomplished through the efforts of operation personnel totalling 50,000 in the central and southwest Pacific. ---USIS.

ALL STEPS BEING TAKEN TO SPEED WHEAT SHIPMENTS TO EUROPE

Washington, Feb. 3 -- The urgency of getting more and more wheat to Europe and the steps being taken to speed export of this vital commodity were discussed by Under Secretary of State Dean Acheson and other Government officials in a radio broadcast over the National Broadcasting Company last night.

Participating in the broadcast were Acheson, Under Secretary of Agriculture John B. Hutson, and James A. Stillwell, State Department adviser on supplies for war areas. Sterling Fisher, director of NBC's "University of the Air," acted as chairman of the program, which was one of a weekly series on United States foreign policy. Excerpts from the broadcast follow, including questions asked by Fisher:

Fisher: Can you explain the extreme importance which our Government attaches to the question of European wheat shortage?

Acheson: The facts are simply these: There will be suffering and starvation in Europe this winter, despite all our efforts to prevent it. We thought last fall that starvation could be avoided, by allocating surplus wheat of the great exporting countries -- the United States, Canada, Argentina and Australia -- to countries that needed it most. Well, we've done that, but we find our efforts so far have not been enough -- for several reasons. The wheat crops of Europe and North Africa were even shorter than we had figured. Shipping has been a severe problem, too. And finally, we find that our surplus stocks are not as great as we had thought.

Fisher: I understand that the Government is taking drastic action to avert this danger, or at least to minimize it.

Acheson: Yes, President Truman this week released a directive to all Government departments ordering them to do everything possible to speed shipment of wheat and flour. He also ordered them to do everything they could to conserve our wheat resources. The President repeated the statement he made

after the Potsdam . . .

after the Potsdam conference. The President emphasized the last sentence (of that statement): "We must help to the limit of our strength, and we will." I believe the American people will back him up on this.

Fisher: Public opinion polls indicate that they will.

Acheson: "Our first responsibility is to prevent mass starvation among our former allies. But we cannot afford to permit famine conditions in Germany either. Under the Potsdam agreement we must give priority to the needs of the people in the liberated areas. That is only fair. Countries that are short of wheat -- which include nearly all of Europe -- need, between now and July 1, 17 million tons of wheat more than they have on hand. At most, 12 million tons can be shipped to Europe from the United States, Canada, Australia and Argentina. Six million of this must come from the United States. That was the best we figured we could do; the rest must come from the other three countries. So, if we all do everything we can, Europe will still be five million tons short.

Hutson: The four supplying countries must exert every effort to meet even their present quotas. In this country, for example, we can supply six million tons only by almost Superman efforts.

Fisher: Why should we have trouble getting enough supplies to Europe to prevent suffering and starvation?

#### Supply and Transport Problem

Acheson: To answer that question fully, we will have to go into the problem from two angles, supply and transportation.

Fisher: You implied a while ago, Mr. Hutson, that we may not be able to supply even six million tons of wheat from the United States. I thought we had a big surplus in this country.

Hutson: We do have good supplies in relation to our own normal needs. But remember that in prewar years we exported less than one million tons of

wheat . . .

wheat a year. For the last three years, thanks to the efforts of our farmers, we have had bumper crops of wheat and were able to fill the huge military needs. But even with military needs reduced, there won't be enough to meet all demands this year because of the tremendous shortage of wheat that has developed in Europe. Since the last crop, the demands on this country have greatly exceeded any previous demands. Last fall it appeared that at the end of 1945 we would have wheat stocks estimated at about 25 million tons, or about 705 million bushels, of which we thought we could export 225 million bushels. But by January 1 we found that our stocks of wheat were 61 million bushels lower than we had anticipated. Our estimate of production was accurate enough; but we exported much more last fall than we had anticipated.

Then, too -- and this is important -- more wheat has been used for feeding livestock than we had figured. We had a large corn crop, but its nutritional value was low this year, so some farmers have been feeding wheat to their stock to supplement corn. Under the President's directive, the Department of Agriculture will do everything possible to conserve grains used to feed livestock.

Fisher: On your second point, what is being done to break through the jam in transportation?

Acheson: To deal with the whole question of transport, an inter-agency committee on export transportation has been set up.

Stillwell: I must point out that we are now shipping twice as much out of the Atlantic ports as we did during the peak of war activity. Right now our most urgent problem is to move the wheat we have on hand. We have enough ships. The real bottlenecks are inland transportation, to get wheat from the farm areas to seaports, and facilities to load ships. Europe now has enough port facilities to handle the required tonnage. It is our own seaports that are overtaxed. We are now facing much greater transportation and port handling problems than we ever faced during the war. We are working on an hour-to-hour basis to move every possible ton of wheat.

Coal Shipments . . .

Coal Shipments Add to Congestion

Fisher: How much wheat did we export last month?

Stillwell: Over one million tons. But to get the whole picture, you have to realize that we are also exporting coal to Europe at the rate of at least 1,400,000 tons a month, whereas in normal times we ship practically no coal to Europe. That adds to the congestion in our transportation systems and our ports and makes the problem of loading wheat more difficult. Fortunately, coal is less of an inland transport problem than wheat; but it does jam up our port facilities. Coal is being shipped out of virtually every Atlantic port, from New York to Port Arthur, Texas. Some coal is even being sent from Utah to Europe by way of Long Beach, California. This is the first time in history that coal has been shipped to Europe by that route.

Acheson: A healthy, stable Europe is an important part of a healthy, prosperous world -- the sort of world Americans want to live in. But there is a political aspect to this question, too. We want to see democracy grow and thrive in Europe. If the people of Europe are hungry and disillusioned, democracy will suffer. For these reasons, and for the simple reason that we abhor suffering and starvation everywhere, we must do our utmost to get more and more wheat rolling and floating, from our farms to the sea and across to Europe, where food is needed as never before.

Fisher: To summarize this discussion, then, Europe faces the worst food crisis of its history during the next six months. We are breaking all records in shipping wheat and other supplies to the people who need them; but we must do still more if mass starvation is to be averted. All the resources of the Federal Government are being mobilized to the end and every citizen is asked to cooperate in any way he can to save European lives.

Acheson: It is more than a humanitarian question; it is a matter of our national interest. We have a stake in a healthy, democratic Europe and the best way to protect that stake is to prevent starvation and disillusionment during Europe's first winter of peace. ---USIS

U.S. CHAMBER OF COMMERCE SUPPORTS LOAN TO BRITAIN

Washington, Feb. 2 -- The board of directors of the United States Chamber of Commerce, at its regular monthly meeting yesterday, issued a statement urging approval by Congress of the financial agreement with Britain. It said:

The board of directors is convinced that the proposed credit and related understandings respecting commercial policies would be to the advantage of the United States. No other program offers equal assurance of expansion of world trade on a multilateral and non-discriminatory basis, objectives to which member organizations of the Chamber are committed. The alternative is extensive and harmful economic warfare among rival groups of nations. The credit by itself does not solve the British problems. The United Kingdom must find a way to expand export trade and services to the level of essential imports. Responsibilities also rest upon the United States.

The commitments of the United Kingdom in the financial agreement assure early elimination of the dollar pool and other sterling-area restrictions which now impose obstacles to the expansion of American export trade.

Further commitments in connection with the International Conference on Trade and Employment and the working out of common principles for removal of present trade barriers are added reasons for the hope of attainment of the goal of multilateral, non-discriminatory trade.

Wider distribution of American products and a larger volume of desirable imports received in exchange should contribute to a more prosperous domestic economy and higher standards of living.

Willingness on the part of the United States to accept goods in repayment of credit is a prerequisite to fulfilment by the United Kingdom of its obligations.

Adjustments in the domestic policies of the United States are unavoidable as part of its broadened responsibility in world leadership. In such adjustments it is of the utmost importance that needless injury to American industry and agriculture . . .

and agriculture be avoided.

The credit makes possible relaxation of Governmental controls and thus marks reversal of the trends of recent years. It cannot be considered as aiding the spread of socialism. The dollars required by the United Kingdom for external purposes have no direct bearing on any plans for socialization of industry.

In connection with the enabling legislation, Congress should make it clear that the United Kingdom is not to have priority of purchases as against the needs of the American economy. Safeguards may be necessary to prevent an inflationary rise in prices or interference with the reconversion program by diversion of needed commodities.

Congress also should give careful consideration to the fiscal and monetary aspects of the mounting costs of international projects of various kinds. Nothing will be gained either from foreign lending beyond the productive requirements of borrowers or from an excessive drain upon American resources. The United Kingdom occupies a unique position in world trade which makes credit by the United States advantageous to us and to all trading nations of the world. The amount or terms of this credit should not become precedents for transactions with other nations whose particular situation may justify assistance by the United States. -- USIS.

#### TUBERCULOSIS DEATH RATE IN U.S. IS STEADILY DECLINING

Washington, Feb. 2 -- The nation's death rate from tuberculosis declined in 1944 for the eighth consecutive year, reaching a record low of 41.3 per 100,000 of population, Director J.C. Capt of the Bureau of Census, Department of Commerce, announced yesterday.

Tuberculosis of all forms caused 54,731 deaths in 1944, as compared with 71,527 deaths in 1936. The sharpness of the long-range downward trend is apparent when the 1944 rate of 41.3 per 100,000 is compared with the rate of 88.9 in 1924 and 188.1 in 1904. -- USIS.

U.S. AIDE MEMOIRE TO ARGENTINA

Washington, Feb. 1 -- At a press conference today, Secretary of State Byrnes announced that following charges made by Col. Juan Peron, Labor Party candidate to the Argentine Presidency, that the United States embassy was involved in the smuggling of arms across the Plata River, he had instructed the U.S. Charge d'Affaires in Buenos Aires to protest to the Argentine Government and to demand a public repudiation of the charges.

Secretary Byrnes said the following instructions were transmitted to the American Charge d'Affaires in Buenos Aires:

Frank Kluckhohn in a front-page article in the New York Times this morning, Buenos Aires dateline, January 30, quotes Peron as follows: "The candidate, in an interview with this correspondent, insisted that it was the opposition which was seeking to break up the elections and that the police constantly were picking up arms that had been smuggled across the Plata River. He expressed the firm belief that the United States embassy was involved in this counter-movement."

You are instructed to go immediately to the foreign minister and leave with him an aide memoire quoting this newspaper account and stating that, because of Peron's former official position and his continued identification by public opinion with the Argentine Government, this Government takes a serious view of his charges against the United States embassy.

The aide memoire should inquire whether the Argentine Government associates itself with such charges and should state that if it does not, this Government would expect the Argentine Government publicly to repudiate them. -- USIS.

COPPER PURCHASE PROGRAM IS RE-ESTABLISHED

Washington, Feb. 2 -- The foreign public copper purchase program, conducted by the Office of Metals Reserve until the program's discontinuance in October 1945, is being re-established, the Reconstruction Finance Corporation has announced. The action is being taken at the request of the Office of War Mobilization and Reconversion, upon the recommendation of the Office of Price Administration. ---USIS.

TWO-THIRDS OF U.S. ARMY OFFICERS ROSE FROM THE RANKS

Washington, Feb. 2 --- Two-thirds of U.S. Army officers in World War Two were former enlisted men. Over half a million men were promoted from the ranks.

Between December 7, 1941, and September 2, 1945, there was a total of 872,000 officers in the Army. Including 72,000 doctors and chaplains, who received direct commissions from civilian life, 531,000, or 66.37 per cent, were commissioned after serving as enlisted men during the war. Most of them are graduates of officer candidate schools; others were commissioned after air force training and some won battlefield commissions for conspicuous gallantry in action.

There were approximately 67,000 female officers in the Army. Of these about 60,000 were medical officers, nearly all of them nurses commissioned directly from civilian life. The remaining 7,000 were officers of the Women's Army Corps, practically all of whom rose from the ranks.

Many of the leading American military figures were not West Point graduates. General of the Army George C. Marshall, wartime Chief of Staff, was commissioned from civilian life in 1901. General Thomas T. Handy, Deputy Chief of Staff, was also appointed from civilian life.

General George C. Kenney, head of General MacArthur's air forces during most of the war, is a former enlisted man, and Lieut. Gen. James H. Doolittle, who engineered the first American air raid on Japan in April 1942, first entered service as an enlisted flying cadet in 1917.---USIS.

GEN. BRADLEY REPORTS VASTLY EXPANDING ACTIVITIES OF VETERANS ADMINISTRATION

Washington, Feb. 2 --- The number of American veterans has increased since August 1, 1945, from 6,688,000 to the present total of 13,490,000, General Omar N. Bradley told a press conference yesterday.

In a review of the vastly expanding activities of the Veterans Administration, Bradley said that the Administration had approved 62,000 applications for farm, home and business loans for veterans opening new businesses.

Bradley also said that more than 500,000 veterans had received aid to continue their education. He said that as of yesterday more than 91,000 veterans were receiving medical treatment.---USIS.

U.S. SEEKS PUBLICATION OF YALTA AGREEMENT

Washington, Feb. 1 -- President Truman yesterday told a press conference that the Yalta agreement to return the Kurile Islands to the Soviet Union had never been lost, but had been in the files of the President of the United States, the proper place for it. He said the State Department has asked Russia and Britain whether they will agree to publication of the document -- a memorandum signed by Roosevelt, Stalin and Churchill. If they have no objection, the agreement will be released.

Truman said he first learned of the agreement regarding the Kuriles some time last summer before he went to the Potsdam conference. Since Mr. Byrnes was not Secretary of State then, he had not been informed, the President said. He added that such agreements were designed to win the war, and will be published at the proper time.

He said that the United States is making no demands for air bases on the Kuriles, adding that there is no reason for the United States to have bases there. ---USIS.

REPLY RECEIVED FROM ONE OF BIG POWERS

Washington, Feb. 1 -- Secretary of State Byrnes, queried at his press conference today about publishing the Yalta agreement with the USSR, said he had received a reply from one government on this question but declined to say whether it came from Russia or Great Britain.

Asked if the United States favors the 2,500-million-dollar loan to France, Byrnes said he understood that a French committee was coming to the United States to discuss economic matters. ---USIS.

FATS AND OILS PRODUCTION ESTIMATED AT 9,885 MILLION POUNDS

Washington, Feb. 2 -- The Department of Commerce has announced that although many factors remain unsettled regarding fats and oils production in the United States for the 1945-46 season, the present crop outlook indicates a yield of 9,885 million pounds. It was pointed out that production of this quantity would exceed the preceding season by 200 million pounds and be 1,300 million pounds less than the production of 1943. ---USIS.

TRUMAN REPORTS TO CONGRESS ON FINAL PHASE OF LEND-LEASE OPERATIONS

Washington, Feb. 1 -- President Truman has sent the following letter of transmittal with the twenty-first report to Congress on lend-lease operations:

"I am transmitting herewith the twenty-first report of operations under the Lend-Lease Act for the period ending September 30, 1945.

"Until V-J Day, lend-lease and reverse lend-lease operated to speed the redeployment of our troops from Europe and to insure the final victory over Japan. This report primarily describes the extent of aid rendered under the Lend-Lease Act prior to the cessation of hostilities. The surrender of Japan signalled the termination of lend-lease as a weapon for victory, and prompt steps were taken by this Government to insure a rapid but orderly reduction of lend-lease expenditures and to bring to a close the employment of lend-lease procedures in supplying essential war needs to our Allies.

"Concurrently, negotiations have begun with many of the lend-lease governments looking toward a final settlement of the lend-lease and reverse lend-lease accounts. At the present time, such lend-lease negotiations have been successfully concluded with the United Kingdom, the largest single recipient of lend-lease supplies. The measures taken to wind up and settle the lend-lease program are outlined only briefly in this report but will be described in full in subsequent reports.

"The master agreements that have been concluded with the various lend-lease governments contain the pledge that the terms and conditions of the lend-lease settlements are to be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. In the process of terminating lend-lease and in carrying on our negotiations for final settlements with the various governments, these principles of article seven will be before us as a reminder of the goal which this Government must constantly seek."

The report . . .

The report disclosed that the total of lend-lease aid from the beginning of the program on March 11, 1941, to October 1, 1945, and reported as of the latter date, amounted to 46,000 million dollars. The total of lend-lease aid in the form of articles and services furnished up to October 1, 1945, which was charged to foreign governments, not including items which could not be so charged, amounted to 43,950 million dollars, of which 69 per cent was furnished to the British Empire, 25 per cent to the USSR, and one and one-half per cent to China.

The United States had received, under reverse lend-lease, supplies, facilities and services valued at 6,300 million dollars by July 1, 1945, the latest date for which information is available. Aid received from the United Kingdom amounted to about two-thirds of the total reverse lend-lease. One-fourth of the total reverse lend-lease was supplied by Australia, New Zealand, India and British forces in India.

The report said that after the capitulation of Japan immediate steps were taken to terminate lend-lease aid and lend-lease procedures, and to secure a final accounting of the vast transaction which had been carried on under the Lend-Lease Act, adding: "This terminal operation, still under way, will be largely completed by July 1, 1946."

Discussing the transfer of lend-lease functions to the State Department, the report declared: "Integration of the lend-lease responsibilities with the disposition of surplus property abroad in the office of the Foreign Liquidation Commissioner makes possible a coordinated handling of these related problems in connection with current and prospective international settlements."--USIS.

#### U.S. MINISTER TO LIBERIA NAMED

Washington, Feb. 1 -- President Truman sent the nomination of Raphael O'Hara Lanier to be minister to Liberia, to the Senate today. Lanier was former dean of the Hampton Institute, and was formerly with UNRRA. He is a well known Negro educator.--USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## WEEKLY ECONOMIC REVIEW

### U.S. STRIKE SITUATION IS BRIGHTER

New York, Jan. 31 -- There was a decided turn toward optimism in the United States during the past week. It stemmed from the fact that a pattern seemed to be developing for the settlement of the labor disputes -- a settlement which would clear the way for an upsurge in production, key to successful American reconversion.

The strike situation had been snowballing. In January a record number of workers, approximately 1,700,000 were on the picket lines. Although that number amounted to only about three per cent of the total working population, the industries affected were basic to the operation of virtually the entire American industry. Not only did it appear possible that many dependent plants might have to close for lack of supplies and equipment, but failure to settle the disputes, still in the talking stage, indicated that thousands of other workers might shortly join their striking brothers.

### Agreements Reached in Auto Industry

Then over the last week-end there was a turn in the tide. Three important breaks occurred. The United Auto Workers Union reached agreements for increases with the Ford and Chrysler Companies and the National Government took over the operation of meat-packing plants, with striking workers returning to their jobs on Monday.

Hope for a settlement of the strikes in the steel and electrical equipment industries and against General Motors Corporation began to rise. Government representatives were conferring separately with labor and management spokesmen, and numerous unofficial predictions of strike settlements began to appear in the nation's press where only gloom had appeared before.

Most Americans, anxious to get on with production to meet the huge pent-up demand for peacetime goods, want quick settlements of the industrial disputes. Consequently, there was almost unanimous approval of the manner in which the Auto Workers Union and the Ford and Chrysler Companies reached an agreement through collective bargaining negotiations before a strike might take place. Similar approval was expressed for government's action in the meat-packing strike, resulting in the return to work of more than 200,000 employees and resumption of production of much-wanted meat supplies.

In the . . .

In the latter case, however, there was considerable confusion. While there was national joy over the fact that the dwindling meat supply would be expanded, many Americans, believing in little interference with private industries, looked askance at peacetime Government industrial operation.

#### Not Nationalisation

The National Government's action, however, is not nationalisation. It is a temporary measure taken in an emergency and designed to alleviate national hardship. Actually, it is the last principal Government action possible to return plants to operation after negotiations, mediation, conciliation and arbitration have failed.

The President's power to take over factories comes from the War Labor Disputes Act, still in effect. Through an executive order, the President can turn over plants involved to some Government agency for operation. In the case of packing houses, it is the Department of Agriculture which took over. The fact that Government takes over struck plant, however, does not mean that workers and management must go back to work. Both groups may refrain from returning, but they may not interfere with those who may want to return. Thus the return to work is on a voluntary basis.

During Government operation of the plants, the issues involved may be settled through discussions between Government, labor and management spokesmen, so that when plants are returned to their owners the strike will not be resumed. If the company sustains financial losses during Government operation, it is reimbursed.

Since the end of the war, Government has taken this drastic step only five times, despite the intensity of many industrial disputes. There is a possibility that Government may add to that figure if solutions are not found for a settlement of the big strikes still in progress. But if events live up to the current feeling of optimism in the nation, Government will not be forced to take any further action along this line in the immediate future and the nation's prime goal, full production, will be reached much more quickly. --USIS.



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293 HORNBY ROAD, BOMBAY.

## WEEKLY FAR EAST REVIEW

### ANOTHER STEP TAKEN IN JAPANESE EMANCIPATION

Washington, Feb. 2 -- The most significant development in Japan following Emperor Hirohito's recent renunciation of his own divinity, was the appointment of Dr. Tatsukichi Minobe, Japan's greatest constitutional scholar and liberal, to the Japanese Imperial Council, the Emperor's highest consultative body and final authority in the interpretation of Japan's constitution.

Only ten years ago Dr. Minobe's books were publicly burned because he held to the theory that the Emperor ruled by constitutional rather than divine right. Dr. Minobe himself was arrested and charged with Lese Majeste before Japanese military courts and although no legal action was taken, he was forced into retirement, where he lived until the Allied occupation.

Dr. Minobe's appointment was another important step in the religious-political emancipation of the Japanese people. The first step was an Allied decree abolishing state Shinto as a religion. The second was Hirohito's renunciation of his own divinity. Dr. Minobe's appointment to the Privy Council was important not only because it liberalized the tight little circle surrounding the Emperor, but because he will be able to wield considerable influence on the drafting of a new constitution now being prepared by the cabinet under Allied orders.

### Marked Resemblance To Prussian Constitution

The present Japanese constitution, which dates from the Meiji restoration in the late 19th century, was drawn up under the guiding hand of the Prussian jurist Heinrich von Gneist, an ardent monarchist and a believer with Frederick the Great that a single dominant will must guide any state. The constitution that was promulgated bore a marked resemblance to Prussia's. Under it a bicameral legislature -- called the Diet -- was provided for. The upper house, or House of Peers, was made up of hereditary nobles or royal appointees, a few were elected by the wealthiest men in each district. The lower house was entirely elective, but only those who paid a certain amount of taxes could vote.

The Diet could originate legislation, levy taxes and petition the Emperor, but the Emperor's sanction was required for all laws. He could close the Diet and could dissolve the lower house. Only the Emperor could declare war, make peace and conclude treaties. He also had supreme command of the Army and Navy

and appointed . . .

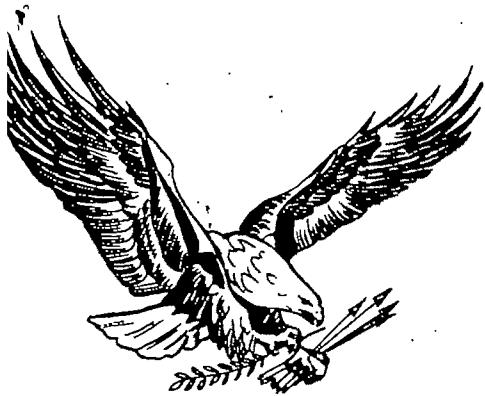
and appointed all civil and military officers as well as determined their salaries. In short, all rights of sovereignty were lodged in the Emperor.

But aside from being, theoretically at least, absolute ruler of Japan, the Emperor was also ruler by "divine" right. The Meiji lords resurrected the legend that the throne dated back to the mythical Emperor Jimmu, descendant of the Sun Goddess. The divine position of the Emperor became the central feature of state Shinto, the national religion of Japan. Both Emperor worship and state Shinto were expanded in the 19th and 20th centuries as a militarist-political device for establishing national morale capable of waging aggressive wars.

Dr. Minobe did not hold with the militarist point of view. He expounded the western theory that "governing rights" or sovereignty rest in the state, that a monarch exercises these rights as an "organ" of the state and that the supreme authority of the state is civil power, not military. To the west Dr. Minobe will appear as only the mildest kin of liberals, but to militarists who were embarking on a war of aggression in 1934 Minobe was dangerous, for he stripped the Emperor of his "divine" pretensions and threatened the militarists' aggressive plans.

For transferring the governing rights from the Emperor to the state and making the Emperor the organ of the state, Dr. Minobe was driven -- under the leadership of the militarist Black Dragon Society -- from all his offices, including a professorship at Tokyo Imperial University and his membership in the House of Peers. His books were burned in public demonstrations, he was attacked in the Diet, arrested for questioning, haled into court for Lese Majeste and was wounded in an attempt at assassination.

Today, the new constitution for Japan is being drafted by the Shidehara cabinet for discussion by the new Diet soon to be elected by the Japanese people. All drafts of the new constitution will pass through the hands of Dr. Minobe, who not only is a liberal constitutional expert but who is close enough to the throne to wield considerable influence. The appointment of Minobe to the Privy Council, coming as it did after the Emperor's declaration denying his own divinity, seems to students of Far Eastern affairs to be a clear indication that the new constitution for Japan -- upon which a new Japan will be built -- will follow along western democratic lines. -- USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 6, 1946.

## U.S. MEASURES TO REDUCE DOMESTIC WHEAT CONSUMPTION

Washington, Feb. 5 — The Department of Agriculture submitted to President Truman at his cabinet meeting today two proposals for increasing the available supply of wheat for export to the liberated countries. One of these is restoration of the wartime order prohibiting mixing of wheat with other feed grains in commercial livestock feeds. The other is a national educational campaign for conservation and reduction of bread consumption in American homes.

Since last year, the Agriculture Department has been conducting an active educational campaign among farmers to spread out and lighten their feeding of bread grains to livestock.

The proposed educational campaign to cut down on consumption of bread in the United States to save wheat would include urging housewives to toast dry bread, save ends of bread loaves and protect bread against moulding and other wastage.

The Agriculture . . .

The Agriculture Department has allocated 225 million bushels of wheat for export from January through June, 1946 and it is feared that this goal may fall 15 per cent short of achievement. The allocation is for export to all countries, including liberated nations served by UNRRA and the United States Army. The Department of Agriculture has authorized commercial exportation of 14,500,000 bushels of wheat in February, as compared with the 10,750,000 bushels authorized for shipment out of the United States in January, 1946.--USIS.

STAFF COLLEGE FOR HIGH-RANKING MILITARY AND STATE DEPARTMENT MEN

Washington, Feb. 5 -- Establishment of a staff college for high-ranking members of the armed services and the State Department to integrate military and foreign policies toward maintenance of peace was announced yesterday by Vice Admiral Harry W. Hill, United States Navy.

Admiral Hill, who will head the new school, outlined at a press conference the purposes and scope of the school, which will be the highest level educational institution of the armed forces. The student body will be carefully selected from key positions of each department. After completing the course, which lasts about ten months, students will return to their individual duties.

The first class will start September 3, 1946, with enrolment of at least 100 students. The college will be situated at the site of the Army War College at Washington, D.C. Among the subjects studied will be the atomic bomb and other new weapons, and their effect on the trend of warfare. The course will include thorough study of foreign policies of the United States and other major powers. Special attention will be given to the United Nations Organization and to other means of preventing war.--USIS.

U.S. ATOMIC LEGISLATION WILL NOT CONFLICT WITH INTERNATIONAL COMMITMENTS

Washington, Feb. 5 -- Chairman McMahon of the Senate Atomic Energy Committee revealed last night that United States atomic energy policy was being formulated to avoid conflict with international commitments. He said in an interview that he and Secretary of State Byrnes were working in close collaboration on the domestic and international phases of the question.--USIS.

FOOD EMERGENCY FACES UNITED NATIONS, LEHMAN WARNS

Washington, Feb. 5 -- Every possible effort must be made to relieve the critical and dangerous shortages of wheat and other grains which UNRRA requires for its aid to peoples of the liberated nations, Herbert H. Lehman, UNRRA Director General, said yesterday.

"Needs for grain and bread are the most critical requirements of the countries being assisted," Lehman said. Lehman pointed out that bread now constitutes "the most important element in the diet of these countries," since "fats and meat products are so scarce as to be negligible."

Lehman added: "The situation as described by the main supply countries, which are the United States, Canada, Australia and Argentina, for the remaining months of the year is such that they cannot assure UNRRA of meeting anywhere near the most urgent needs of the receiving countries. Needs for bread grains, excluding rice, of the countries being assisted by the United Nations through UNRRA total about 26 million bushels each month. Against this during January there was shipped to these countries only about 15 million bushels. From present indications the amount available during February may be even less.

"I am in communication with the heads of three of the member governments on whose cooperation UNRRA is primarily dependent in connection with this situation -- the governments of the United States, Canada and Australia -- and I feel confident that they are anxious to do everything within their power to meet the needs. But the situation is highly critical and every possible effort must be made both by the governments and the people to relieve it."

Lehman analysed the situation in the countries being assisted by UNRRA as follows:

One -- The need for grains in Albania, Greece, Italy and Yugoslavia is extremely critical due to drought in the Mediterranean area which cut harvests during the past season to about half of the normal. Even in normal times Greece

and Italy were heavily dependent upon wheat imports.

Two -- China is seriously short both of rice and wheat. Supplying countries have been able to make only small quantities of rice available, thus increasing the need for wheat.

Three -- Production during the past year was disappointing in Austria, Czechoslovakia and Poland. Causes for this included war interference with normal use of land, transportation breakdown, lack of fertilizer and shortage of motive or draught power for farm equipment.

Lehman said he is keeping the governments of the countries being assisted by UNRRA as fully informed as possible of the critical situation. "I have requested them to take every possible step, through careful utilization of their grains, both imported and home produced, to insure that the limited quantities available to them are distributed with all possible care and equity.

#### Imported Grain Only For Human Consumption

"Countries receiving assistance from UNRRA are ready to accept any substitution of other grains for wheat to the extent available, and they have further agreed to use imported grains for human foods exclusively. We are, therefore, attempting to obtain from the supplying countries as much as they can spare of oats, corn, barley and rye as well as wheat, and to augment our limited supplies of other foods wherever possible so that what is available is stretched to the utmost to meet human needs."

Lehman added that such countries as Norway, the Netherlands, Belgium and France, whose supplies are being financed out of their own resources or in other ways, also require "substantial quantities of grain" to save their citizens from extreme privation. Lehman concluded that the current food shortage in Europe and the Far East "is the greatest practical emergency which has faced the United Nations since the end of the war and it presents to them a challenge to pool their resources for the common good in peace, just as they fought together against the common enemy in war." ---USIS.

1,141 MILLION DOLLARS OF U.S. LOANS WERE OUTSTANDING IN SEPTEMBER

Washington, Feb. 5 -- Combined loans, advances and financial aid by the United States Government to foreign governments outstanding on September 30, 1945, totalled 1,141 million dollars with considerable future expansion indicated in line with the increasing foreign financial commitments of the Government, according to a Department of Commerce report released today.

The total comprised 516 million dollars in loans, 84 million dollars in advance payments for articles purchased abroad, 541 million dollars in financial aid -- payments made without any obligation to repay or without any definite agreement as to terms of repayment.

This report covered the quarter from June 30 to September 30, 1945, and showed an increase of 69 million dollars for the quarter.--USIS.

NEW EMPLOYMENT BILL FORESHADOWED

Washington, Feb. 5 -- After the President's weekly conference with Congressional leaders, Senate majority leader Alben W. Barkley told reporters that the President seemed "very well satisfied" with a substitute for his "full employment" bill now awaiting Congressional action. The substitute measure, on which the Senate and House conferences have agreed, merely declares it to be to "promote" maximum employment, production and purchasing power. It does not include the phrase "full employment."--USIS.

LEGISLATION SEEKS TRANSFER OF U.S. SHIPS TO CHINA FOR DEMOBILIZATION

Washington, Feb. 5 -- Chairman Vinson of the House Naval Affairs Committee today introduced legislation authorizing President Truman to turn over certain types of ships of the United States fleet to China. One purpose of this legislation, Vinson declared, is to establish a navy for China so that "demobilization can be speeded" by turning over to that country the responsibility for moving surrendered Japanese back to Japan. Hearings on the legislation are scheduled to open tomorrow.--USIS.

CHINA IS ADVANCING IN DIRECTION OF DEMOCRACY

Washington, Feb. 5 -- A Washington Post editorial Sunday said that the recent developments in China show that she has "put her best foot forward in the direction of democracy and unity." The editorial said in part:

When, a generation ago, the late Dr. Sun Yat-sen laid down his "three principles of the people," which is the political bible of present-day China, he held out to the Chinese people the promise that after a relatively brief period of "tutelage" under the leadership of the Kuomintang, a full-bodied democratic regime would be established in China. For a long time that promise must have seemed to many an empty mirage.... Yet the democratic aspirations which Dr. Sun had expressed never died out in China, and now, 21 years after his death, they are on the way to fulfilment.

As a result of the Kuomintang-Communist truce and the labors of the Political Consultation Conference which took place in Chungking last month, the Chinese Government is about to wind up its one-party dictatorship. An all-China Government is to be set up in which members of the Communist Party, the Democratic League, the Youth Party, as well as the Kuomintang, are to be represented. Chinese armies, both the armies of the Government and Communists, are to be drastically reduced, ultimately united under one rule, and divested of political authority. A democratic constitution is to be drawn up in the near future, to be followed by general elections. Wartime censorship and restrictions on civil liberties have been lifted.

These are gratifying moves for which all those who participated in the work of the PCC deserve much credit. It cannot be assumed, however, that through this fiat real democratic government will come into being. Political democracy is more than a matter of constitutional forms; it is a way of life that has to be learned by doing and the process of learning is slow and painful. Nevertheless, China has at last put her best foot forward in the direction of democracy and unity, and that is a great and stirring development. ---USIS.

HEATED DISCUSSIONS AT UNO SESSIONS WILL HELP CLEAR THE AIR

New York, Feb. 5 -- The sometimes heated discussions at the recent sessions of UNO Security Council may seem like "bad news" to some observers, but they need not be so regarded because these discussions tend to bring world problems into the open and help clear the air between nations, editorials in Sunday's New York Times and New York Herald Tribune said. The Times said in part:

"What is now being said openly has been said in private at conference after conference of heads of states and foreign ministers. Such episodes ought to be kept in their context. They ought also to be put in their place in the general picture of what is happening in the world.

"In addition to developing some fireworks, the sessions of the Security Council and the Assembly have done some solid work, much of it based on compromise. The six non-permanent members of the Security Council itself were chosen by compromise. Assembly president Paul Spaak of Belgium was chosen by compromise. His rival, foreign minister Trygve Lie of Norway has been elected Secretary General -- another compromise between a candidate primarily favored by Great Britain and the United States and one primarily favored by Russia. The Economic and Social Council has been set up and has gone to work. Nominations have been made to the International Court of Justice....

"It is perfectly natural that friction should arise between political and economic systems as different as those existing in Russia on the one hand and in Labor Party Britain and the Democratic Party United States on the other. It is perfectly natural that economic entities, such as petroleum of Iran, should creep into the discussion. We may be paying in turmoil for the secrecy of Teheran, Yalta and Moscow, but there may be something healing in the operation, despite the noise it makes."

The Herald Tribune said in part: "Many will find in the frank speaking indulged in by Mr. Bevin and his Russian opposite number on the Security Council,

Mr. Vishinsky, . . .

Mr. Vishinsky, the prospect that world sore spots will be brought out into the open and subjected to the healing processes of fresh air and public discussion. This view overlooks the fact that the "You're another" process usually presents problems in such rapid succession that none can receive adequate attention....

"But the technique is not without its value. It does give the world at large some conception of the complexity of the disorders that afflict it and the dangers of concentrating on one section of the international body politic to the exclusion of the rest. Then too, it should aid in reducing the vice of national self-righteousness which judges good and evil according to the flag they fly or the tongue they speak.

"The 'realists' of course will see nothing in such debates as that in which Mr. Bevin and Mr. Vishinsky engaged but power politics. What they will not see, unless they dig a little deeper, is the fundamental world need for peace and cooperation. When that is brought into account, rivalries themselves become superficial, and means taken by various nations to give them expression assume greater importance. They become instruments for education of the nations in international cooperation."---USIS.

#### WASHINGTON RESIDENTS PREPARED FOR FOOD RATIONING TO HELP FEED LIBERATED AREAS

Washington, Feb. 4 -- Sixty-eight per cent of the residents of the city of Washington said they would be willing to submit to food rationing, if necessary, to aid the needy peoples of Europe and Asia, in a poll conducted by the newspaper Washington Post today.

The poll takers asked the question: "If necessary, would you be willing to have butter, meat and other foods rationed again in order to give them to needy people in Europe and Asia?"

As many as 44 per cent of the city's residents also would undergo extra taxation to help feed the peoples of liberated countries, and 38 per cent would even submit to both taxation and rationing. However, the Post reported, 52 per cent expressed opposition to the idea of extra taxation. A large majority of those polled showed appreciation of the plight of liberated peoples, the paper reported.---USIS.

U.S. SUPREME COURT UPHOLDS YAMASHITA'S TRIAL BY MILITARY COMMISSION

Washington, Feb. 4 -- The United States Supreme Court today ruled that the American Army war crimes trial of Japanese General Tomoyuki Yamashita, former commander of Japanese forces in the Philippines, was a legal trial, and that its verdict of guilty for Yamashita was not reviewable by the Supreme Court. Only an army court could review the decision, the Supreme Court said.

Yamashita was found guilty of war crimes by an American military commission established in Manila by General MacArthur. The Supreme Court ruled the commission was legally created and "in complete conformity with the act of Congress sanctioning creation of such tribunals for trial of offenses against laws of war committed by enemy combatants."

The decision, following extensive review of the case by the Supreme Court, was on a six to two basis, with Chief Justice Harlan F. Stone writing the majority opinion. Justices Frank Murphy and Wiley B. Rutledge dissented. Justice Robert H. Jackson, chief United States prosecutor in international war crimes trials of high German leaders at Nuremberg, did not participate.

The keynote of the majority opinion lay in the statement that "the extent to which power to prosecute violations of laws of war shall be exercised before peace is declared rests, not with courts, but with the political branch of the Government, and may itself be governed by the terms of an armistice or treaty of peace."

"The conduct of trial by military commission has been authorized by the political branch of the Government, by the military command, by international law and usage, and by the terms of surrender of the Japanese Government," Stone said.

---USIS.

## SURPLUS SHIPYARDS PRESENT DISPOSAL PROBLEM

Washington, Feb. 5 -- With the postwar decline in ship construction, the nation's overexpanded shipbuilding industry will be unable to make use of most of the 99 shipyards built by Government at a cost of more than 1,000 million dollars during the war, and "ways and means for the successful disposition of such property will constitute a very real economic problem," the Surplus Property Administration reported to Congress yesterday.

"It has already been made clear that there is little prospect of usefulness of the surplus yards in shipbuilding," the report said. "The problem of disposal will therefore be primarily that of finding uses for other purposes."

Wartime expansion brought phenomenal growth to many old and new shipbuilding communities, SPA reported. Direct employment in shipbuilding rose from 102,000 in 1940 to more than 1,700,000 at the wartime peak.

The Navy plans to hold in commission 25 new yards and facilities in 12 privately owned yards, SPA reported. The Maritime Commission plans to retain four new yards and facilities in one privately owned yard. The program for retention thus includes 29 new yards and 13 privately owned yards, or a total of 42.

There are at present 16 new shipyards costing over five million dollars each, as well as facilities costing over five million dollars in eight private yards, or a total of 24. Extensive sales of shipbuilding equipment to foreign countries should be possible for restoration or expansion of their shipbuilding industries, the report said. Such opportunities were reported to exist in Europe, South America and China.---USIS.

## UNRRA TO HELP IN CHINA'S HEALTH PROGRAM

Washington, Feb. 5 -- Dr. Wilbur A. Sawyer, director of the health division of the United Nations Relief and Rehabilitation Administration, is to leave by plane today for China, where he will spend a month conferring with UNRRA and Chinese National Relief and Rehabilitation Administration officials. They will consider plans for speeding up recruitment, training and distribution of personnel for China's health program.---USIS

VETERANS WILL GET PREFERENCE IN CIVIL SERVICE POSTS

Washington, Feb. 5 -- The Civil Service Commission announced today that President Truman has signed an executive order discontinuing war service appointments and outlining the procedure to be followed by the Federal Government in shifting the civil service system from wartime to peacetime basis.

Under the order war service appointments, which have been virtually the only type of appointment made in the federal services since March 16, 1942, will be discontinued at once. Instead, the Commission has been ordered to begin at once to resume the holding of examinations for regular civil service appointments. Until regular civil service appointments are made, all Government appointments will be made on a temporary basis.

The order added that when departments make appointments pending the establishment of regular civil service lists, they will be required to give preference first to disabled veterans, second to non-disabled veterans, and third to displaced federal employees. Such appointments must, however, conform to qualifications standards established by the Civil Service Commission.

People working for the Federal Government under war service appointments who fail to pass the regular civil service examinations will be replaced immediately by people from the top of the regular civil service lists. War service appointees who pass civil service examinations, however, will be given regular civil service appointments whenever their names are reached on the civil service lists. ---USIS.

U.S.-BELGIUM AIR AGREEMENT

Washington, Feb. 5 -- The State Department today announced that interim air rights have been granted reciprocally between the United States and Belgium. The interim arrangement, which is expected to be superseded by a formal bilateral air transport agreement, is to extend for an initial period of three months beginning February 1, renewable automatically thereafter but subject to cancellation on one month's notice after the expiration of the initial period. The so-called fifth freedom of the air (traffic privileges) is included in the provisional agreement. ---USIS.

### ATOMIC BOMB TEST DRAMATIZES NEED FOR CONTROL

Washington, Feb. 5 — The Washington Post today said the "proposed atom bombing off the Marshall Islands should be viewed less as a test than as a demonstration and "its chief justification and value must lie in the influence it may have upon world opinion." The editorial continued in part:

If it serves to dramatize the urgency of the peril which mankind is exposed to so long as this energy remains uncontrolled, then the demonstration can be reckoned a splendid contribution to world peace. If it moves the statesmen of the world to take common action for the common good, then it will have done infinitely more to promote our security than any military or naval data which may be gleaned from a secret test.

Members of the House Naval Affairs Committee who are now talking about imposing absolute secrecy upon the war and navy secretaries are wholly missing the point of what is being planned. . . . The chance must not be thrown away to give the world a demonstration in peace of the terrible potentialities of atomic energy in war.—USIS.

### EYEWITNESS TESTIFIES TO URGENT NEEDS OF EUROPEAN COUNTRIES

Washington, Feb. 5 — Colonel J. F. Haskell, vice president of the New York Stock Exchange, who had completed a three-month survey of business in England and Europe for the Exchange, returned in the week-end aboard the Queen Elizabeth. He declared that Europeans are in urgent need of such materials as clothing, food, steel, coal, lumber and rolling stock. Though falling bridges have been restored, rails repaired and highways opened, and some towns have freed their streets of rubble, Colonel Haskell added that "it will be a long time before conditions are back to normal in Europe."

He said that operations of the London Stock Exchange are getting back to normal and that the boards of trade in Rotterdam, Brussels and Paris are in the process of clearing ownership of securities and are organizing for business.  
—USIS.

STETTINIUS' STATEMENT ON PRESENCE OF BRITISH TROOPS IN GREECE

Washington, Feb. 5 -- Following is the text of the statement made yesterday before the United Nations Security Council in London by Edward R. Stettinius, Jr., United States representative on the Council, as released today by the State Department:

We have heard the arguments of the Soviet representative on the situation created by the presence of British troops in Greece. We have heard the arguments in reply of Mr. Bevin, British representative, as to the reason for the need of British troops in Greece and of the desire of the British government to withdraw its troops from Greece as soon as possible, consistent with the maintenance of peace and order. We have also heard the statement of the Greek representative that the British Government was invited by the Greek Government to send troops to Greece and that their continued presence there is considered indispensable by the Greek Government.

It is a good thing that when serious misunderstandings arise between states, they should bring their problems before this Council. I think that the arguments we have heard have helped us better to understand the difficulties in Greece. Greece has suffered as much or possibly more than any other country from the war just ended. Certainly it is not the desire of the Council to do anything that would add to her difficulties or her sufferings. Only on the clearest showing would the Council be justified in taking action against the expressed wish of the Greek Government in a situation which might seriously affect the internal conditions in Greece.

The Government of the United States is satisfied, after thorough consideration, that there is no reasonable ground for the belief that the presence of British troops in Greece under the admittedly unhappy circumstances described by the representatives of the United Kingdom and of Greece can be regarded as constituting a situation which is likely to endanger international peace and security.

The Government . . .

The Government of the United States is convinced, therefore, that on the basis of the statements made before it, the Security Council would not be justified under Chapter VI in making a finding to that effect. Without such a finding the Council has no authority to recommend appropriate procedures or methods of adjustment.

I do not believe, therefore, that it will be wise for the Council to take formal action in this case. We are not here to vote each other down. We are here to examine world conditions and to deal with dangers to international peace and security and to help compose differences and disputes which may lead to such dangers. By not acting we are not reflecting on the United Kingdom. It has not threatened international peace and security.

The Charter expressly enjoins the Council in discharging its duties to act in accordance with the purposes and principles of the United Nations as stated in the Charter. Among these purposes are the maintenance of international peace and security and the development of friendly relations among nations. The Government of the United States is convinced that in the present time the Council could do most to maintain international peace and to develop friendly relations among nations by refraining from intervention in this unhappy situation.

The case before us involves differences between two permanent members of the Council, the Soviet Union and the United Kingdom, on the presence of British troops in Greece. It is of the greatest importance that permanent members of the Council should work together in friendly accord. The two permanent members involved in this case have kindly discussed their differences with us. The discussion has, I think, been helpful. I respectfully suggest, Mr. Chairman and members of the Council, that the Governments of the Soviet Union, Great Britain and Greece be thanked for the statements they have made in explanation of their respective position and that no further action be taken.--USIS.

URGES IMMEDIATE U.S. AID TO PHILIPPINES

Washington, Feb. 5 -- Paul V. McNutt, United States High Commissioner to the Philippines who has just returned from the Philippines, told a press conference yesterday that he will confer with President Truman Thursday to press for quick action on the pending legislation to aid rehabilitation of the Philippines. In a statement emphasizing the dire economic plight of the Philippines due to Japanese occupation and ravages of the war, McNutt said:

We are pledged to grant the islands their independence on July 4, 1946. The pledge will be kept. But we are also pledged to prepare the islands for independence and to insure the establishment there of a free and democratic republic, which also means a prosperous and growing nation. . . .

Unless the United States acts, and acts swiftly, the Philippines will find themselves an independent nation, true, but a nation without the means of livelihood. No exports, no jobs, no Government revenues, no private enterprise -- only obligations. Free trade is the answer -- opportunity for the Philippines to market their produce in the United States without tariff charges, for as long as is absolutely necessary to help the islands get back on their feet economically. Then we can begin to require their economy to channel itself along independent lines.

The formula evolved by the national administration here is for eight years of free trade followed by 25 years of gradually increasing tariff duties until full foreign duty status is reached. That is the philosophy of the Bell bill. No real rehabilitation can be begun in the Philippines until that bill is passed.

There is another bill in Congress that must be passed. That is the Tydings War Damage Bill, authorizing 450 million dollars for payment of physical war damages. It would be fruitless to move for preservation and improvement of democratic forms in the Philippines if we are not going to let the Filipinos have the means of economic survival.--USIS.

U.S.-SOVIET AMITY IS ESSENTIAL TO WORLD PEACE

Washington, Feb. 5 -- Mrs. J. Borden Harriman, former United States ambassador to Norway, was honored last night at a banquet given by the American Society for Russian Relief as it launched a national campaign to equip the devastated hospitals of Russia. Joseph E. Davies, former U.S. ambassador to Russia, was chairman of the dinner and among the principal speakers were Secretary of Commerce Henry Wallace and Senator Claude Pepper (Democrat from Florida).

Referring to the election of Trygve Lie as Secretary General of UNO, Secretary Wallace said: "I consider it highly significant that Trygve Lie has been named to a post equivalent to the first president of the world with the support of both the United States and Russia. It may well be that the Scandinavian countries will serve as a bridge between the United States and Russia. The Scandinavian countries have long approached democracy in a peculiarly individual way."

Wallace suggested "friendly competition" between the United States, Russia and Britain in the development of science, economic justice and freedom. He said that the Russians and British in some respects are ahead of the United States in science and economic justice and that the United States is ahead of Russia in its conceptions of freedom.

"I want to say most vigorously," Wallace added, "that for the next decade or two science is going to be all-important. The future belongs to nations that understand science, that understand economic justice and brotherhood, and that have great natural resources. As we look at the nations of the world which are destined to understand science most fully, have natural resources and desires for economic justice and brotherhood, we see that Russia and the United States stand out."

Senator Pepper, who has recently returned from a tour of the Soviet Union, praised the relief work the Society is doing in Russia and said:

"The war . . .

"The war is not won in Europe or Asia, or even in America, and it will not be won until the last vestiges of fascism have been erased from enemy nations and from those so-called neutral nations which actually were panderers for Hitlerism or servants of Japanese imperialism."

Pepper told the guests of the warm reception he received from Russians as an American and declared: "One thing we must remember. As I have said elsewhere, we have absolutely nothing to fear from the Soviet Union as long as the Soviet Union has nothing to fear from us.... And the work done by the Society for Russian Relief is the best possible proof to the Russian people that they have nothing to fear from us -- that in peace, as in war, we come of friend [REDACTED] are holding out the hand of brotherhood. If we do our duty [REDACTED] task well -- the task of supplying the Soviet people with the medical supplies they need so badly and of supplying the American people with perception and with the true facts about our Russian neighbors -- then there shall be peace in the world and atomic power shall be the greatest boon mankind has ever known. We must do our task well -- and do it now, and keep on doing it -- for the alternative to success is too frightening to consider." ---USIS.

NEW YORK TIMES SAYS ATOMIC CONTROL IS COMPLICATED PROBLEM

Washington, Feb. 5 -- Commenting on President Truman's letter to Senator McMahon, chairman of the special Senate committee on atomic energy, the New York Times in an editorial said the problem of controlling traffic in uranium is complicated. It added:

We have to decide how we can utilize uranium for power production without encouraging production of atomic weapons, without completely throttling private enterprise by intolerable state control, and without making it utterly impossible for atomic physicists and medical men to continue their researches.

The world has never been presented with a more difficult problem. To abandon all hope because uranium is everywhere is confession of defeat. There is nothing for it but to devise some form of pact which will be buttressed by agreements for avoidance of war and which will insure immediate action against a transgressor.

---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conceptions, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the market; and that truth is the only ground upon which any intent and safe can be carried out. That, at any rate, is the theory."

An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 8, 1946

## TRUMAN OUTLINES SPECIFIC MEASURES TO INCREASE EXPORT OF FOODSTUFFS

Washington, Feb. 7 -- President Truman in a statement yesterday outlined specific measures whereby the Government and people of the United States are going to help supply food, particularly wheat, to the peoples of the liberated countries. The text of the statement follows:

For the world as a whole, a food crisis has developed which may prove to be the worst in modern times. More people face starvation and even actual death for want of food today than in any war year and perhaps more than in all the war years combined. The United States and other countries have moved food into the war-torn countries in record amounts, but there has been a constantly widening gap between essential minimum needs and available supply.

Although this country enjoyed a near-record production of food and a record crop of wheat, the wheat crop of Europe and North Africa and the rice crop of the Far East have proved to be much shorter than anticipated; in fact, some areas have experienced . . .

have experienced the shortest crops in 50 years because of extreme droughts and the disruption of war.

We in this country have been consuming about 3,300 calories per person per day. In contrast, more than 125 million people in Europe will have to subsist on less than 2,000 calories a day; 28 million will have less than 1,500 calories a day; and in some parts of Europe large groups will receive as little as 1,000 calories.

Under these circumstances, it is apparent that only through super-human efforts can mass starvation be prevented. In recognition of the situation Great Britain only yesterday announced cuts in rations of fats and a return to the dark wartime loaf of bread. I am sure that the American people are in favor of carrying their share of the burden.

#### Emergency Measures Ordered

Accordingly, I have instructed the appropriate agencies of the Government to put into effect a number of emergency measures designed to help meet the critically urgent needs to the greatest possible extent in the shortest possible time. The cooperation of every man, woman and child, the food trade and industries, the transportation industry, and others will be needed to make these measures effective. I know the conscience of the American people will not permit them to withhold or stint their cooperation while their fellow-men in other lands suffer and die. The measures to be taken are as follows:

One -- The appropriate agencies of this Government will immediately inaugurate a vigorous campaign to secure the full cooperation of all consumers in conserving food, particularly bread. Additional emphasis will be placed upon the cooperation of bakers and dealers in reducing waste of bread in distribution channels.

Two -- The use of wheat in the direct production of alcohol and other beverages will . . .

beverages will be discontinued; the use of other grains for the production of beverages will be limited, beginning March 1, to five days' consumption a month.

80 Per Cent Flour Extraction

Three -- The wheat flour extraction rate (the quantity of flour produced from each bushel of wheat) will be raised to 80 per cent for the duration of the emergency. Also, steps will be taken to limit the distribution of flour to amounts essential for current civilian distribution. This will save about 25 million bushels of wheat during the first half of 1946.

Four -- The Department of Agriculture will control millers' inventories of wheat and bakers' and distributors' inventories of flour. The inventory controls will be designed to maintain the wheat and flour being held for civilian use at the minimum necessary for distribution purposes.

Five -- Specific preference will be given to the rail movement of wheat, corn, meat and other essential foods in order promptly to export maximum quantities to destinations where most needed.

Six -- The Department of Agriculture will exercise direct control over exports of wheat and flour to facilitate movement to destinations of greatest need.  
Exports Will Be Increased

Seven -- Necessary steps will be taken to export during this calendar year 375,000 tons of fats and oils, 1,600 million pounds of meat, of which 1,000 million pounds is to be made available during the first half of 1946, and to increase the exports of dairy products, particularly cheese and evaporated milk.

Eight -- The War and Navy Departments already have aided materially the movement of Philippine copra (the raw material from which cocoanut oil is produced by releasing 200 LCM and J-boats for the inter-island trade in the Philippines. These Departments and the War Shipping Administration will take immediate steps to make available the additional ships needed for this purpose. The Secretaries

of War

of War and Navy will release for the movement of food to Europe all refrigerated ships not essential to the maintenance of the flow of food to the armed forces.

Nine. -- The Department of Agriculture will develop additional ways in which grains now being used in the feeding of livestock and poultry could be conserved for use as human food. These steps may include means to obtain the rapid marketing of heavy hogs, preferably those over 225 pounds, and of beef cattle with a moderate rather than a high degree of finish; to encourage the culling of poultry flocks; to prevent excessive chick production; and to encourage more economical feeding of dairy cattle.

#### Informal Rationing

Regulations to limit wheat inventories of feed manufacturers and to restrict the use of wheat in food will be prepared. We are requesting the cooperation of retailers and other distributors in informally rationing commodities that will be in scarce supply for the months immediately ahead. Actual reductions in the volume of distribution may be suggested, with the obligation placed on the industry involved to handle distribution equitably. I believe that with the wholehearted cooperation of food manufacturers, wholesalers, and retailers the job can be done.

The measures which I have directed will, no doubt, cause some inconvenience to many of us. Millers and bakers, for example, will have to adapt their operations to produce and to use flour of a higher extraction rate, while consumers may not be able to get exactly the kind of bread that many prefer. We will not have as large a selection of meats, cheese, evaporated milk, ice cream, margarine and salad dressing as we may like. However, these inconveniences will be a small price to pay for saving lives and mitigating suffering in liberated countries and helping to establish a firmer foundation for peace.

In attempting to alleviate the shortages abroad, this country will adhere to the policy of giving preference to the liberated peoples and to those who have fought beside

fought beside us, but we shall also do our utmost to prevent starvation among our former enemies. I am confident that every citizen will cooperate whole-heartedly in the complete and immediate mobilization of this country's tremendous resources to win this world-wide war against mass starvation.--USIS.

WORLD COURT REPLACES BRUTE FORCE AS THE COURT OF FINAL APPEAL

New York, Feb. 7 -- The taking up of elections to the new world court yesterday by UNO's Security Council and Assembly marks the birth of another UNO structure, one which holds promise of spreading the ideal of "exact and impartial justice," the New York Times said in an editorial today. The Times said in part:

The new court follows very closely the pattern of the old. It is the "principal judicial organization of the United Nations." Each member of the United Nations, once it has submitted its case, is bound to comply with the decision. The Charter provides that "legal disputes should as a general rule" be referred to the court. There is no compulsion about this "rule." Member nations may accept compulsory jurisdiction if they wish -- and smaller nations, unanimously and very naturally, do wish.

The test lies ahead as does the test of UNO as a whole. The court cannot possess more power than nations are willing to give it. It cannot rise above the level of statesmanship in the Security Council and humanitarianism in the Assembly. It can grind only the grist that is brought to its mill. Lofty qualities in the judges will be of no avail if the great powers do not lay essential issues before them and abide by the results.

Though such limitations as these will be in everyone's mind, there is more hope today than ever before that humanity can achieve an enforceable international law. If UNO means anything it means that brute force is no longer to be the court of final appeal.... The ideal of exact and impartial justice was spread abroad yesterday in London. Let us pray that it will not die.--USIS.

## 140 MILLION EUROPEANS WILL GET DIET OF UNDER 2,000 CALORIES A DAY

Washington, Feb. 7 -- The State Department last night issued a statement by the Emergency Economic Committee for Europe concerning the food situation and needs in Europe, estimating that more than 140 million persons on the continent will have to live on an average diet of less than 2,000 calories a day for the next several months.

Approximately 100 million will be reduced to an average daily diet totalling only about 1,500 calories, the statement said.

The committee is an inter-governmental organization with representation from the U.S., Great Britain, Belgium, Denmark, Norway, the Netherlands, Greece, Luxembourg and Turkey. Philip Noel-Baker, British minister of state, is chairman.

Excerpts from the statement follow:

The Emergency Economic Committee for Europe has reviewed such information as is available to it about the levels of food consumption in the European countries, with the object of estimating the diet in terms of calories which an average person in each country might expect to receive in the course of the next few months. The information on which this study is based is incomplete. In some cases it has been necessary to use information obtained through non-official channels. In all cases the future position has been forecast in terms of prospects as they appeared early in January, so that changes in the food outlook which may have taken place since then are not taken into account.

The broad picture that emerges, after taking into account all home-grown and imported food supplies available or in sight, is that over the next few months more than 140 million people in the European countries reviewed will have to continue to live on a diet which provides an average of less than 2,000 calories a day. Specifically the committee found that:

A. Approximately 100 million people in the following groups will probably be receiving an average total diet of 1,500 calories per person per day or less:

1) Non-farm . . .

- 1) Non-farm populations of Austria;
- 2) Farm population of tobacco-growing regions in Bulgaria;
- 3) German residents in Czechoslovakia (insofar as they do not qualify for Czech citizenship);
- 4) Non-farm population of Eastern Slovakia;
- 5) Non-farm population of Finland;
- 6) Non-farm population of Germany;
- 7) Non-farm population of Hungary, especially Budapest;
- 8) Non-farm population of Italy;
- 9) Non-farm population of Rumania;
- 10) The non-farm population of Spain may also be in this category.

40 Million Will Get 1,500 to 2,000 Calories

B. A further 40 million people will probably be receiving an average total diet of over 1,500 but less than 2,000 calories, including:

- 1) Non-farm population of France;
- 2) Non-farm population of Bohemia and Moravia;
- 3) Non-farm population of Greece;
- 4) Farm and non-farm population of certain districts of Yugoslavia.

C. An average of a bare 2,000 calories per day appears to be in prospect for the non-farm population of Luxembourg and possibly Portugal. Somewhat higher diets, but still under 2,500 calories, may be anticipated for the non-farm populations of Belgium, Bulgaria, the Netherlands, Norway, Poland (with certain groups at a lower level) and Yugoslavia.

D. An average diet of over 2,500 calories will be available only for the non-farm populations of Denmark, Switzerland and the United Kingdom and farm populations of all countries except where otherwise noted above.

It should be noted that the above classification excludes entirely Albania, Eire, Turkey and the Union of Soviet Socialist Republics, for which no definite

information of . . .

information of the food situation was available to the committee.

While this study is in terms of calories only, as a convenient indicator of the level of food supply, adequate supplies of other nutritional elements -- proteins, fats, vitamins and minerals -- are also essential. In general, current and prospective European diets are even less satisfactory in other nutritional elements and in palatability than they are in calories.

#### Normal Diet Needs

As a guide to the possible nutritional and economic effects of the diet levels described in this review, it may be noted that diets containing an average of about 2,650 calories per day, in addition to the necessary quantities of other nutritional elements, has been recommended by the UNRRA food committee as the amount of food sufficient to maintain full health and efficiency in a population with a normal distribution according to sex, age and occupation. Pre-war diets in some countries in southern and eastern Europe did not reach this level, however, while diets in the northwestern European countries were generally at levels somewhat above this standard.

A diet of around 2,000 calories has been generally recognized in military and civilian relief planning as the minimum level below which there would be marked effects on the ability to work and danger of the development of diseases associated with food shortage. These effects become progressively more serious as the diet is reduced to and below 1,500 calories and the period of low diet is prolonged.

Thus, a serious gap between food supplies and the minimum requirements remain for many millions of people of Europe, even after the vigorous efforts to alleviate the position which have been made and are being made by the governments and international agencies concerned have been taken into account. --USIS.

### U.S. EXPORTS DROP, IMPORTS INCREASE

Washington, Feb. 8 -- The United States Bureau of Census has revealed that United States exports during the first nine months of 1945 decreased to 7,976 million dollars, or 27 per cent less than in the same period in 1944. The decrease was due to sharp cutbacks in lend-lease exports to the British Empire and Russia. Lend-lease exports to all countries declined to 5,184 million dollars, or 41 per cent less than in the first nine months of 1944.

General imports, however, advanced to 3,172 million dollars, a gain of eight per cent over the first nine months of 1944. This advance reflected heightened imports from Latin American republics and the British Empire. Although exports to the British Empire and Russia dropped, substantial increases in exports to France and Belgium during the first nine months of 1945 were recorded. Lend-lease shipments represented a high proportion of the total United States exports to these countries.

In addition to the Latin American countries, other countries showing increased non-lend-lease imports from the United States were Sweden, Spain, Portugal and Greece.

Increased imports into the United States during the first nine months of 1945 from the British Empire reflected largely expanded shipments from Empire areas in Asia and Africa.

Meanwhile, imports from Canada, Portugal and China were in the nine-month period ended September 1945 below the corresponding 1944 levels. ---USIS.

### EIGHT MILLION TONS OF U.S. COAL FOR EUROPE

Washington, Feb. 7 -- Secretary of the Interior Harold L. Ickes told a recent press conference that the shipment of eight million tons of coal to Europe would be completed by middle of February and that further needs are now being studied. "We are shipping rapidly now," he said and added: "The situation is very much improved. They have been having a pretty hard winter in Europe." --USIS.

LEBANON AND SYRIA PROBLEM MORE COMPLEX THAN IRAN'S

New York, Feb. 7 -- The formalized protests by Lebanon and Syria to the United Nations Security Council against the continued presence of French and British troops on their soil in general conform to the case of Iran, but are more complex, the New York Times said editorially yesterday. The settlement of Iran's case should provide guidance for the cases of Lebanon and Syria, the editorial said, continuing in part:

Whether the new Russian interest in the Arab League had anything to do with the Levantine action or not, the fact is that both France and Great Britain have pledged themselves to evacuate the two former French mandates, whose independence was recognized by General de Gaulle as leader of the Free French on June 1, 1944.

But under their agreement of December 13, 1945, cited in the Levantine complaint, the program of evacuation was to proceed in such a way as to leave sufficient forces in the Levant to guarantee security until such time as the United Nations Organization could provide for collective security in that zone. This provision is more than a cloak for safeguarding French interests, which in the past have produced not only strikes, demonstrations and open warfare between the French and Levantines, but also friction between France and Great Britain.

For the present tensions in that ancient cockpit of the world are great, and these tensions involve the fate of Palestine, of Zionism, of Christian minorities in a Moslem world, of the Arab League, and peace itself. Under these circumstances it would seem clear that even if the Security Council follows the Iran precedent and leaves evacuation to direct negotiations among the governments involved, it must still recognize that evacuation alone is not enough, and that the United Nations Organization will have to accept responsibility for seeing to it that removal of one source of friction is not followed by the creation of a greater one. ---USIS.

TRUMAN ENVISAGES BILL OF RIGHTS FOR THE FAMILY

Washington, Feb. 7 -- President Truman Tuesday sent the following letter to the 14th annual convention of the National Catholic Conference on Family Life, which opened a four-day session here:

I have read with keen interest of the sessions on family life to be held at the Catholic University of America under the joint auspices of the Family Life Bureau, the National Catholic Welfare Conference and the National Catholic Conference on Family Life. The deliberations which your program calls for are timely. Indeed, it would seem inconceivable that as we put our hands and our hearts to the giant task of building anew at this turning point in history, we should fail to center a great share of our attention and effort upon the family unit.

The measure of a civilization is the measure of its family life. It is normally the soil of the steady and responsible home that begets that important driving incentive of a people that induces them to strive and work, to move upward and onward to progress. The conviction has grown on me that many things in our civilization are working against the family. Our housing situation, for instance, the economic insecurity of so many of our people, the instability and turmoil that have been among the unfortunate fruits of the war -- these and similar problems are hardly less than attacks on the family. It is encouraging to note that the deliberations of your meeting will extend to so many of them. Perhaps it were as well if we in America, who have in the past fought so well for a bill of rights for the individual, would in future fight no less vigorously for a bill of rights for the family. The fact that your program is sponsored by a church group gives the assurance that the strengthening and refining influence of religion in the family circle will be given attention. ---USIS.

NEEDS OF CHILDREN SHOULD BE GIVEN PRIORITY IN WELFARE PROGRAMS

Washington, Feb. 7 -- Welfare programs envisioned for the United States should first be measured in terms of their effect on the welfare of the children of the nation, Secretary of Labor Schwellenbach said Tuesday in a talk opening the meetings of the National Commission for Children in Wartime, sponsored by the Children's Bureau of the Department of Labor. The session will consider plans to improve the health and welfare of the nation's youth during the postwar period. Schwellenbach said in part:

The war we have won is only a prelude to a far greater task -- the task of reshaping the culture of our age. No longer can we live under the intolerable tyranny of recurring cycles of "prosperity" that collapses inevitably to human suffering and want, of "peace" that ends inevitably in organized slaughter of people. These tragic cycles are not inescapable afflictions of life: they are evidences of the failure of human ingenuity and lack of generosity of spirit, which, if we set our minds and hearts to it, can banish those afflictions, as certainly as we have banished smallpox as a killer of millions. But for this task we must have the closest collaboration of citizens and governments. We must have the kind of two-way channels of communication which you have created here. . .

Congress has given the Department of Labor the duty to "foster, promote and develop the welfare of the wage earners of the United States." Of course their welfare is inextricably bound up with the welfare of their children. That is as it should be. Indeed, I should like to add parenthetically, I am convinced we would get ahead with our business of putting our national affairs in order much faster if all of us were to measure our programs first in terms of their effect on the welfare of children and second in terms of our special interests. . .

Startling evidences of our unfinished business for the children of the richest nation of the world should give pause to all of us. Some of these evidences can be wiped out by building up the purchasing power of family incomes. Some of them can be redeemed only by the determination of the American people that a

larger part of their national income shall be spent in building up child health, child welfare and educational services. Still others will be resolved only when we extend the protective arm of the law around all children in danger of exploitation, whether it be in industry, agriculture or commerce.

You know, I do not have to tell you, that President Truman is deeply conscious of the conditions which your report has summarized. His whole efforts to lift minimum wages from 40 to 65 cents, to extend the child labor provisions of the Fair Labor Standards Act, to lay the foundations of full employment and full production, will all help families provide more adequate care for their children. The President's message to Congress on national health makes clear his conviction that the provision of medical care and health services for children is as much a public responsibility as the provision of educational opportunities....

If we could see, intuitively, that the way ahead for each of us is to put all of us first, we might remake this ago. One way in which we might begin would be to give greater heed to the very problems that your commission has been coping with: the needs of children, all children, of whatever race, creed or family circumstances.---USIS

#### HYNES APPOINTED TO UNRRA AUSTRIAN MISSION

Washington, Feb. 7 -- The United Nations Relief and Rehabilitation Administration announced yesterday that Colonel John H. Hynes has been appointed senior deputy chief of UNRRA's Austrian mission.

During his long career, both as a United States Army officer and in the field of European relief, Hynes has served in several missions that took him to Turkey, Russia, England and Italy. Shortly after the armistice of November 1918 he was assigned to the American Peace Commission in Paris. In 1920 and 1921 Hynes was assistant chief of the American Relief Administration's child and adult feeding mission in charge of operations in Vienna and lower Austria. His most recent activities have been with SHAEF and with the Combined Liberated Areas Committee.

Hynes plans to leave for Austria this week.---USIS.

## LITERARY REVIEW

### THEODORE DREISER, ELLEN GLASGOW AND CHARLES NORRIS MADE IMPORTANT CONTRIBUTIONS TO REALISTIC FICTION

New York, Feb. 7 -- A steady artistic and social purpose guided the work of three pioneering American writers whose careers ended in 1945. A full estimate of the accomplishments of Theodore Dreiser, Ellen Glasgow and Charles G. Norris will be the task of later critics; already it is clear that their documentation and criticism of the American scene represent an important contribution to the realistic fiction which is one of the major literary achievements of the first half of the twentieth century.

Theodore Dreiser, who died on December 28 at the age of 74, enunciated in 1917 -- eight years before the publication of "An American Tragedy" -- the creed which was the foundation of his attitude toward life and art. In an essay published in The Seven Arts, he said: "A man, if he can, should question the things he sees -- not some things, but everything -- stand, as it were, in the center of this whirling storm of contradiction which we know as life, and ask of it its source and its import. Else, why a brain at all?"

Dreiser's passion to portray the truth as he saw it involved a lifelong rebellion against what he called the "bitter cruelties" of life and, in terms of the United States, against the "highly romantic state of self-deception" which he judged characteristic of the American people. This rebellion, expressed in a series of novels depicting the problems of the individual in conflict with conventional worldly standards, not only made Dreiser the center of recurring storms of public protest but also brought him recognition in middle life as one of the literary giants of the age. What Dreiser symbolized to other American writers whose basic literary intention was, like his, to expose and thereby correct social hypocrisy, was expressed by Sinclair Lewis in his speech accepting the Nobel Prize for literature in 1930. Lewis said:

"Now to me, . . .

"Now to me, as to many other writers, Dreiser more than any other man, marching alone, usually unappreciated, often hated, has cleared the trail from Victorian and Howellsian timidity and gentility in American fiction to honesty and boldness and passion of life. Without his pioneering, I doubt if any of us could, unless we liked to be sent to jail, express life and beauty and terror."

Dreiser, the youngest of 13 children in an impoverished family, grew up in the small Midwestern town of Warsaw, Indiana, and in the large industrial city of Chicago. After years of newspaper and magazine work, Dreiser wrote and published in 1900 his first novel, "Sister Carrie." The publisher withdrew the work, fearing protests on the grounds of immorality. When it was issued again in 1907, it received more adverse criticism than praise. Recognition of Dreiser's talent came with the publication of "Jennie Gerhardt" in 1911.

His naturalistic portrayal of the sordid side of life brought most of his novels under the fire of those critics and social groups who found them opposed to accepted moral standards. Nevertheless, these first two novels and the trilogy on American life which followed -- "The Financier," "The Titan" and "The Genius" -- brought him the highest admiration of many of the leading critics of the day.

#### Indictment of Society

"An American Tragedy" (1925), his greatest popular success, was an uncompromising indictment of society. In minute and labored detail, it told the life of a young man brought by hereditary weakness and slum background to the electric chair for the murder of the girl with whom he had an illicit love affair. Dreiser arraigned both the social forces which caused the tragedy and the stupidity of the law in judging the case.

Before his death, Dreiser, who had published little writing in recent years, had completed two new novels. One of these, "The Bulwark," is due for publication in March.

The security . . .

The security of Dreiser's historical position is indicated by an editorial which appeared in the New York Herald Tribune on his death. "The debt which American writers owe to Dreiser has often been acknowledged, and rightly so," it said. "He effectually put an end to the era of prettification. With his harsh, lumbering strokes he cleared away much underbrush and made the going easier for many men and women who have had something to say. We may not be much closer to ultimate truth because of what Dreiser wrote; we do, however, know that he helped make the search for truth respectable in American literature."

#### A Southern Novelist

Ellen Glasgow died on November 20 in the Richmond, Virginia, home where she had lived most of the 71 years of her life. From her pen, during the course of more than 40 years, issued a series of novels constituting a social history of Virginia from the year 1850 to the present. Almost single-handed, her readers say, Miss Glasgow rescued Southern fiction from the glamorous sentimentality with which it was saturated.

How seriously she regarded her task may be judged from her statement in 1943: "What honest craftsman, regardless alike of the appraisal of critics and the indulgence of readers, would squander a lifetime upon work that did not contain for him a certain measure of achievement?"

Born into the genteel tradition of the old South, Miss Glasgow was privately educated and concealed her labor of writing from her family and friends until publication of her first book. After the publication of "The Battle Ground" in 1902, she continued to inspire critical esteem, her most recent honor being the Pulitzer Prize for fiction in 1942. All of her later novels were popular successes, particularly her satiric comedy of manners, "They Stooped to Folly" (1929).

Miss Glasgow's endeavor to convey the truth of life in her work was conscious and coherent. What she wanted, she had said, was an interpretation of life. In a book of prefaces published in 1943, "A Certain Measure," she said:

"All my life . . .

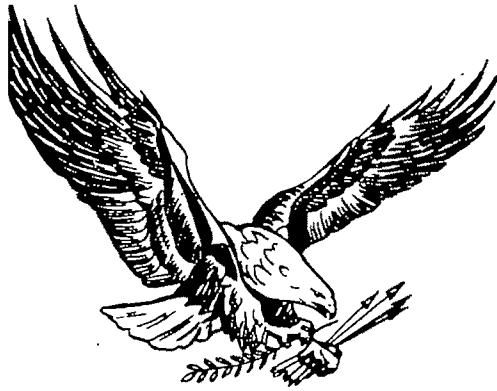
"All my life I had been a rebel against regimentation in any form. I had not revolted from the Southern sentimental fallacy in order to submit myself to the tyranny of the Northern genteel tradition. The true realists, I felt, must illuminate experience, not merely transcribe it; and so, for my own purpose, I defined the art of fiction as experience illuminated."

Although Miss Glasgow's witty deflation of sentimental manners and her realistic record of the struggle between progress and reaction laid the groundwork for the more brutal later realists such as William Faulkner, she confessed that she was unable to stomach their "literary ruffianism." To such a critic as Malcolm Cowley of the Now Republic, Miss Glasgow's decorum was a weakness, but nevertheless he acknowledges the integrity and solidness of execution of her work.

Her place in modern American letters was summed up by Henry Seidel Canby in the Saturday Review of Literature as follows: "Indeed there is no richer theme for fiction than the wreck of a way of life in the South after the great war, and the conflict between sentiment and the rebirth into something new that followed. It was her strong clear imagination that best perceived for us the romantic, sordid, tragic values of the one great defeat and reversal suffered by Americans."

In comparison with the work of Theodore Dreiser and Ellen Glasgow, that of Charles G. Norris, who died last summer, was relatively obscure. In his critical treatment of American life, however, his place among the realists is important. Born in Chicago in 1881, he went to the University of California and spent most of his later life on the West Coast. As younger brother of Frank Norris and husband of the popular novelist, Kathleen Norris, his influence reached out among younger writers.

Norris's novels -- beginning with "Salt" in 1917 and continuing throughout the twenties and thirties with "Bread," "Hands" and others -- had the acknowledged purpose of making people think, treating from a social point of view such subjects as industrialism and marriage. Their faithful examination of life in the United States in the present century rounds out the story as told in its sharpest lights and shades by the fellow-craftsmen who completed their work in the same year. - USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## WEEKLY LETTER FROM AMERICA

### NATION PAYS TRIBUTE TO HOPKINS

New York, Feb. 5 -- American people experienced contrasting effects of both good and sad domestic news last week. The nation's pleasant reaction to wage agreements which averted possible further walkouts in the auto industry was followed by the announcement of the death of Harry L. Hopkins.

Labor-management disputes continued to hold the center of the nation's interest. In Detroit 148,000 CIO United Automobile Workers settled their wage disputes with Ford and Chrysler which, with General Motors, comprise the "big three" of automobile manufacturers. There appeared good hope for believing other reconversion disagreements would be settled. Ford and Chrysler pacts provided pay rises of 18 and 18½ cents an hour respectively.

The feeling was expressed that the zones of conflict were diminishing and that the strike fever was subsiding. Washington observers believed the Administration would undertake no major moves until the effect of industrial compromise was apparent.

The steel, electrical and General Motors strikes continued as the principal barriers to industrial peace. But the Ford-Chrysler pacts, as economic observers pointed out, emphasized the fact that the present disturbed period is basically one of adjustment in which terms are being fixed for a long-term postwar period.

Last Thursday at the 20th annual meeting of the American Arbitration Association its ex-President H.O. King said that despite present strikes arising out of postwar conditions, voluntary arbitration had emerged from war stronger than at any time in the history of labor-management relations. For every strike called, he added, there are thousands of collective bargaining agreements that are working harmoniously and they contain provisions under which any disputes or differences are submitted to arbitration.

Harry Hopkins died on the eve of Franklin D. Roosevelt's birthday. The American people had long known that Hopkins' health was poor and that he was often hospitalized. Press and radio commentators, regardless of agreement or disagreement with his views, paid him final tribute, acknowledging him as the man who, knowing he had not long to live, spent himself in the service of his Chief and country.

Presidential confidant and emissary, Hopkins found himself in one of the

high places . . .

high places of the world at a critical point in its history and became a man truly dedicated to Allied success.

Roosevelt and Hopkins, editors pointed out, were in a congenial partnership. Hopkins was a social worker, conscious of the politically possible. Roosevelt was a master politician, conscious of social welfare. Max Lerner, in the New York newspaper PM, wrote: "The man who died had really died nine months ago and his heart and will were buried at Hyde Park."

There at Hyde Park -- the ancestral home where Roosevelt is buried -- last Wednesday light snow was falling as Major General Maxwell D. Taylor, Superintendent of the United States Military Academy, laid a wreath on behalf of President Truman on the grave of the late President. Then those who observed the ceremony, marking the 64th birthday of Franklin Roosevelt, stood for a minute in silence in the placid garden of the Roosevelt home.

#### Polio Fund Drive

Elsewhere, throughout the nation the fight against infantile paralysis was once more led by Franklin Roosevelt in whose name balls, concerts and other observances were held. In 1934 the custom of the Roosevelt Birthday Balls began, with proceeds set aside for a National Foundation for Infantile Paralysis, a cause dear to the late President's heart. Last Wednesday it was the new President who drove home to the nation the need for supporting this work.

In New York, quiet classical music concerts replaced the dancing and merriment of the past years. In Washington, the President's wife and daughter attended eight Birthday Balls. On Capitol Hill, Republican and Democratic representatives wore white roses, New York State flower, in their lapels.

New Roosevelt dimes -- 10 cent pieces -- were distributed by the United States mint, and the Post Office printed a special issue of Roosevelt stamps in memory of their past leader.

#### More Veterans In Colleges

Whatever their attitude a year ago, veterans have most emphatically changed their minds about college education. Immediately after V-J Day a magazine article, "GIs Reject Education," referred to figures as of February 1, 1945, showing that only 12,844 discharged veterans throughout the United States in a total of 1,500,000 were attending school or college under the GI bill.

This week 400,000 were preparing to begin the spring semester in American colleges. It is estimated that the total may rise to 750,000 next fall. To meet the GIs' desire for advanced education and for specialized and technical training, the Veterans Administration is currently working on a plan to set up regional clearing houses to give information on available opportunities in colleges.

The Washington Star, in a recent editorial, typified the comment in the nation's press praising President Truman's approval of the invitation to the United Nations Atomic Energy Commission to witness the forthcoming bomb tests on the "guinea-pig" fleet at Bikini Atoll, in the Marshalls. The editorial said: "How better can members of the Commission appreciate the gravity of their responsibilities than by viewing an actual demonstration of atomic power as a

weapon of . . ."

weapon of war?"

American press opinion was that observers would in no wise compromise the secrecy properly surrounding the manufacture and operation of the bomb itself. The New York Times, in complete agreement, said the invitation "is an earnest of our intention to make the atomic bomb an international matter."

The Chicago Daily News last Tuesday nominated Eddie Rotzel of Philadelphia as the "man of the year." It seems that Eddie, tired of waiting for new automobiles to come off the assembly lines, built his own. Pointing out that Eddie did not sit down and cry for the Government to do something, but did it himself, the Daily News said: "Eddie is the kind of fellow this country needs." Eddie's only trouble now that his assembly job is done is that his auto is so big, he can't get it out of the workshop!---USIS.



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# American Newsfile

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## 14 NATIONS ACCEPT INVITATION TO TRADE CONFERENCE

New York, Feb. 7 -- Plans for an international conference on reduction of trade barriers are progressing in Washington. As early as January 16, the U.S. State Department announced that 14 nations already had accepted invitations.

Nations agreeing to attend were: India, Belgium, Luxembourg, Australia, Brazil, Canada, China, Cuba, Czechoslovakia, France, Holland, New Zealand, South Africa and the United Kingdom.

The meeting, to be held this summer as a preliminary to the general International Conference on Trade and Employment, will have two purposes: to prepare projects for consideration by the general conference; and to negotiate agreements for the reduction of governmental trade barriers.

While American business and Government officials were considering problems of long-range significance which might be set before the conference, they also were taking action on pressing short-range trade questions.

The Export-Import Bank of Washington in mid-January agreed to lend 25 million dollars to Greece to finance the purchase in the United States of materials, equipment and services for the restoration of that nation's productive facilities. Bank President Wayne C. Taylor described the loan as "in conformance with the policy of the Bank to assist in speeding the reconstruction of war-torn areas by making dollar exchange available for the purchase of needed supplies and materials in the United States, pending the beginning of operations by the International Bank for Reconstruction and Development."

The proposed loan of 3,750 million dollars to Great Britain has been the subject of much continuing discussion. Within four days in mid-January, three important administration officials -- Acting Secretary of State Dean Acheson, Treasury Secretary Fred Vinson and Foreign Liquidation Commissioner Thomas B. McCabe -- supported the proposal in speeches which received nationwide attention. The keynote struck by all three was that the loan would serve as a means for expanding world trade.

Greatest obstacle to trade expansion at present, most observers agree, is the shortage of supply -- supply far short of meeting the pent-up world-wide demand. The U.S. Department of Commerce reported in mid-January that it was receiving a great number of inquiries about American export of a wide variety of products.

All the United States is able to export, it is sending abroad. Reconversion

Director John . . .

Director John W. Snyder announced on January 15 that approximately 1,182,000 tons of coal were shipped to Europe in December, 1945, and that allocations for January had been set at about 1,500,000 tons.

On the same day, the U.S. Commerce Department announced that during November 1945 deliveries of Government-owned food for foreign shipment totalled 286,639,838 pounds. The November figure amounted to 67 per cent of the total of deliveries of Government-owned food at home and abroad.

#### Transport Problem

Export of wheat is taxing U.S. transportation facilities to the limit, a U.S. Agriculture Department survey revealed. Virtually all available transportation resource, storage and port facilities in the country are being used to export at least 225 million bushels of wheat or wheat equivalents, including flour, to needy countries in Europe and the Far East during the first six months of 1946. At the same time, all wheat procurable is being used in the wheat export program. U.S. Secretary of the Interior Harold Ickes said in mid-January that half a million pounds of number one hard wheat flour declared surplus by the Army in Puerto Rico had been sold to the United Nations Relief and Rehabilitation Administration for distribution in Europe.

Nevertheless, export of some products in short supply has had to be cut. Allocations for lumber export during the first quarter of 1946 were dropped to 225 million board feet, nearly 35 million board feet lower than the average quarterly allocation in 1945.

In rice, no allocations at all for export to Europe were made for the first quarter of the year. This was necessitated by a world-wide rice shortage and a desire, therefore, to direct as much rice as possible to the Pacific areas where rice is a main food item. The Department of Agriculture announcement said that production in major exporting areas of the Far East is expected to be "far below normal."

To stimulate international trade further, the United States is expanding imports of some products. The U.S. Civilian Production Administration toward the middle of the month removed the last remaining restrictions on the import of pig and hog bristles. About the same time, Reconversion Director Snyder ordered the continuation of Government plans for the public purchase and import of hides and goatskins through the first and second quarters of 1946. And the Department of Agriculture announced that between November 19, 1945, and January 9 of this year, about 4,304,000 bags of green coffee were purchased by American importers under the coffee subsidy program.

#### Heavy Domestic Demands

Meanwhile, domestic demand for goods continued to outstrip by far the available supply. The extent of demand was indicated partially in a Department of Commerce report which said that income payments to individuals in the United States, which had turned upward in October, continued to rise during November. The announcement came as the Treasury Department revealed that individuals bought more than 55,000 million dollars worth of war bonds and other Government securities between May 1, 1941, and December 31, 1945, cashing in only 18.81 per cent of the total.

A further . . .



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 11, 1946.

## DETAILS OF YALTA AGREEMENT RELEASED

Washington, Feb 11 -- The State Department today released the text of the agreement between President Roosevelt, Prime Minister Churchill and Generalissimo Stalin signed at Yalta on February 11, 1945. The text was released simultaneously in London. The following is the text of the Yalta agreement: The early part of the three great powers -- the Soviet Union, the United States and Great Britain -- have agreed that in two or three months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that:

"One -- The status quo in Outer Mongolia (the Mongolian People's Republic) shall be preserved.

"Two -- The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

(a) the . . .

- (a) the southern part of Sakhalin as well as all islands adjacent to it shall be returned to the Soviet Union,
- (b) the commercial port of Dairen shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded by the lease of Port Arthur as a naval base of the USSR restored,
- (c) The Chinese Eastern Railroad and the South Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the pre-eminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria.

"Three -- The Kurilo Islands shall be handed over to the Soviet Union. It is understood that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require the concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

"The heads of the three great powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

"For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the USSR and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke."

The State Department released the following statement in connection with the release of the text of the Yalta agreement:

In making public this agreement the Secretary of State called attention to the fact that the Government of the Chinese Republic was not a party to the agreement and that the relations between China and the Soviet Republics are in no way controlled . . .

way controlled by this memorandum but are governed entirely by the provisions of the treaty between China and the Soviet Republics signed at Hankow on August 14, and subsequent agreements between those two governments.

The Secretary further stated that it is evident that this agreement was regarded by President Roosevelt, Prime Minister Churchill and Generalissimo Stalin as a military agreement and was marked top secret. There was good reason for the agreement being regarded as a top secret. The agreement was based upon Russia's entering the war. The Soviet military leaders advised our military leaders that Russia could not enter the war until 90 days after the surrender of Germany, that it would take them that time to move their arms to the Japanese front.

At that time, February 11, 1945, our armies were attacking on the Western Front. Had the Japanese learned of this agreement they would have immediately attacked Russia. That would have necessitated the removal of Russian troops from the German front toward Japan at a time when Russia was starting the final drive which brought about the collapse of the German army on that front. The removal of Russian troops at that time would have made the task of the American armies that much more difficult and cost more lives. The Secretary stated he learned that an agreement had been reached on this subject on September 2, after the Japanese surrender on August 12, and at his press conference on September 4 announced the existence of such an agreement.--USIS.

#### UNRRA SHIPMENTS FOR AUSTRIAN RELIEF

Washington, Feb. 10 -- Eight thousand tons of wheat from United States stocks are being loaded for shipment to Austria, the United Nations Relief and Rehabilitation Administration announced. The shipment will be under UNRRA's emergency relief program for Austria, and will be followed by other shipments this month, including additional supplies of food, clothing, medical supplies and seeds. Loadings under the full-scale UNRRA program of aid to Austria are scheduled to begin March 1, the agency said.--USIS.

VIRGINIA NEWSPAPERS TO INVITE FOREIGN JOURNALISTS AS GUESTS

Washington, Feb. 10 -- A plan to invite foreign newspapermen to be guests and co-workers on a number of Virginia newspapers has been presented to the Office of International Information and Cultural Affairs, Assistant Secretary of State Benton announced today. The proposal was placed before State Department representatives by the officers of the Virginia Press Association, headed by Miss Daphne L. Dailey, president.

Benton said that the Virginia Press Association plan to acquaint foreign journalists with the United States merits the heartiest endorsement and fullest support. He added: "For a long time we have felt the need to spread a first-hand knowledge of the American way of life throughout the world by having writers, technicians, artists and students actually share the work, pleasures and cultural interests of their American counterparts.

"The Virginia Press Association proposal is notable for the planning, thought and financial contributions which Virginia newspapermen and women voluntarily have devoted to it. The Office of International Information and Cultural Affairs will do all it can to assist the Virginia Press Association in carrying out its proposal. I sincerely hope this will be the forerunner of similar projects sponsored by other press groups in all sections of the United States."

As early as September 15, 1945, the executive committee of the Virginia Press Association presented a plan to the entire membership for inviting foreign journalists to accept temporary staff positions. Thirty-three papers announced that they were sufficiently interested in this project to share in the cost. The VPA plan provides for foreign journalists to accompany members of newspaper staffs on regular outside assignments.

It is planned for them to become thoroughly familiar with desk and editorial procedure and to participate fully in the life of the community for a period of approximately 12 weeks. Problems being discussed with State Department officials

in relation . . .

in relation to the plan are mainly those of selecting the foreign journalists who are to participate in the program, and arranging for their transportation to the United States.

VPA president Daphne Dailoy disclosed that the Association already has received inquiries from press groups in other states expressing keen interest in the plan. "If our experience proves successful, I am sure other states will take similar action," she said. "We felt that one of the best ways to correct distorted impressions about our country and to promote international understanding was to have foreign newspapermen actually work with us and live among us. We are highly pleased with the cooperative attitude displayed by the State Department officials to whom we have talked, and we confidently expect that we can arrange to have the first group of foreign newspapermen become guests on our staffs some time this fall."--USIS.

#### U.S. EXPORTING RICE TO FAR EAST

Washington, Feb. 10 -- Secretary of Agriculture Clinton P. Anderson reiterated yesterday in Washington that 225 million bushels of wheat for Europe was still the export objective of the United States for the current half-year period -- January through June. President Truman had mistakenly used the figure 200 million bushels in his announcement Friday of the U.S. food program for feeding victims of war.

In clarifying the food export program, Anderson disclosed for the first time that the Agriculture Department was trying to keep rice consumption confined to the 13 states in the United States in which it is normally part of the diet. This is being done informally through the cooperation of the American rice industry. Heavy rice exports are being made to the Far East as well as to Europe.

Anderson admitted that President Truman's order raising extraction of flour from wheat to 80 per cent would work hardships on the domestic livestock industry. He said it would cut down the quantity of mill feed available to farmers as more of the wheat kernel will be converted to flour. This, however, is the purpose of the President's 80 per cent order -- to get more flour from the same quantity of wheat milled.--USIS.

BYRNES OUTLINES TRUSTEESHIP SCHEME FOR ITALIAN COLONIES

Washington, Feb. 9 -- At his press conference yesterday, answering a question on the trusteeship of Italian colonies, Secretary of State Byrnes said there was no change in the United States proposal made last September to the Council of Foreign Ministers. Under this plan, he explained, there would be an agreement between a colony and the United Nations Trusteeship Council whereby Libya, for example, would be governed by an administrator. He would be appointed by the Trusteeship Council and would report to that body. There would also be an advisory committee of seven members. One member would be appointed from each of the four powers -- the United Kingdom, the United States, the Soviet Union and France -- one from Italy, and the other two members selected from the territory under trusteeship.

Of these last two members, one would be a European, probably an Italian, and one a non-European, to represent the peoples of the colonies. Directives would come only from the Trusteeship Council. The advisory committee could only give advice. If the administrator did not accept it, the Council itself should give orders to the administrator.

Byrnes said that the United States would support trusteeship along those lines, provided it would last for only ten years and would be followed by independence. The plan would affect only the four Italian colonies and does not include the Dodecanese Islands.

As to the administrator appointed by the Trusteeship Council, Byrnes said he argued for a man not a national of any one of the four governments, but from a different nation who could act as an "international" citizen and who would help the people of the colonies to develop themselves.

Asked for U.S. reaction to the Italian Government note to the Allied governments asking for the Brenner Pass, Byrnes said he could not comment, as this matter should go to the Council of Foreign Ministers in London which is discussing all these questions.--USIS.

BYRNES REVIEWS WORLD DEVELOPMENTS

Washington, Feb. 10 -- Secretary of State Byrnes reviewed developments in the international scene at a press conference on Friday. The following are highlights of the review:

Asked for comment on the reported hope to conclude peace treaties with Germany and Japan within the next 12 to 18 months, Byrnes said: "We all hope for the best and this is not too unreasonable. When the work on the Italian treaty and those with the Balkan states are completed, we will work on those with Germany and Japan." He thought twelve months should be enough to permit return to normal conditions in the occupied countries. This will be easier in Japan, where a government is functioning, than in Germany where there is no central government.

Byrnes also announced he expects to attend the Rio conference planned for between March 15 and April 15, 1946, and also the peace conference. He said he is still urging that every effort be made to hold the Paris Peace Conference on May 1, 1946.

He repeated that the Council of Foreign Ministers would not meet in Washington this spring, and said he would probably see Molotov and Bevin in Paris.

Byrnes said that the State Department had received a note from Uruguay on the general subject of intervention, but he could not comment on it.

On reports that the United States was interested in dispatches from China that Russia is seeking economic concessions in Manchuria beyond those permitted under the Sino-Soviet treaty, Byrnes said he had not received any official report. He added that the United States maintains its traditional policy of "open door," and supported equal trade for all countries.

Argentina Replies to U.S. Note

Byrnes said that Argentina had replied on February 4 to the U.S. Government protest on . . .

protest on the remarks made by former vice president Peron. The note stated that Peron had resigned from the Government on October 9, 1945, and that it was improper that his action should make the present Government responsible.

Regarding the smuggling of arms along the sea coast, the Argentine note said that there was no indication that the United States embassy had taken any part in it. This closes the incident, Byrnes said.

Byrnes said there was some progress being made in establishing a provisional government in Korea by the joint Soviet-American commission. Agreements have been reached on transportation and communications, but not on exchange of commodities. He said that the Soviet zone was industrial, the United States zone agricultural. The United States hoped to have a provisional government established by March 1, 1946, he said, and this would end the zonal division and enable an exchange of commodities.

Byrnes said he had not received a reply to the U.S. note regarding political murders in Poland.

A reporter said that British Foreign Minister Bevin said in London that Manchuria was discussed with the subject of Iran. Byrnes replied that he discussed Manchuria in connection with the situation in north China, not in connection with Iran. In his discussions in Moscow with Stalin and Molotov, he added, he discussed the matter of Soviet troops in Manchuria at some length, resulting in the agreed statement made at the end of the conference to the effect that Russian troops were in Manchuria at the request of the Chinese Government.

#### No Progress in Bulgaria

Asked about the progress in Bulgaria in carrying out the agreement reached in Moscow on December 26, 1945, Byrnes explained that the Soviet Government recommended that Bulgaria put representatives of the opposition parties in the Government. Byrnes said that for the time being no progress was being made.

Asked why there was no Big Three commission in Bulgaria, as there was in

Rumania, and . . .

Rumania, and no requests for assurances of civil liberties, Byrnes said that in Rumania the Russians had agreed to the appointment of a commission. The Russians explained that the situation was different in Bulgaria, as elections had been held there and the people took part, and therefore the Soviet Government was not in a position to send representatives to a government elected by the people. It would only offer advice to a government considered friendly. In Rumania there was no election, the Soviet Government argued.

Asked why the United States recognized Bulgaria without an assurance of a free press, Byrnes said that the question of a free press was discussed at length. Russia contended that there was much improvement in the Bulgarian press. The Russians also held that a free election took place and they did not wish to act against the people.

Commenting on the subject of Austrian reparations, Byrnes said that the U.S. Government held last July that Austria should not be compelled to pay reparations. "We are not involved in a difference of opinion with the Soviet Union on that," he added, "but there is a difference with reference to German assets in Austria." In Moscow, Byrnes said, the United States asked the Soviet commander to confer with the United States commander in Austria. Byrnes pointed out that it was difficult to define a German asset.

Asked concerning the President's message to Congress yesterday on the State Department's budget for the information program, Byrnes pointed out that the State Department appropriation is one-seventh of one per cent of the Government appropriation. He said he hoped Congress would be friendly to the State Department as he always felt it had been.---USIS.

REPORT OF UNRRA OPERATIONS FOR THIRD QUARTER OF 1945

Washington, Feb. 9 -- President Truman yesterday submitted to Congress the fifth quarterly report on the operations of the United Nations Relief and Rehabilitation Administration for the third quarter of 1945 through September 30. The report showed that UNRRA relief shipments for the period had more than doubled over those of the preceding quarter. Cumulative shipments of relief materials from all sources reached a total of more than two million long tons for which UNRRA had expended over 88 per cent of its available resources.

In a letter transmitting the report the President said: "With complete victory over the Axis powers, UNRRA has been able to expand its operations in relieving the ravages of war. Improvements on shipping and release of supplies have made it possible for UNRRA to ship sharply increased quantities of relief goods to liberated peoples." Truman also said that the action of the United States Congress in approving the second U.S. contribution of 1,350 million dollars "has assured a continuing flow of needed supplies."

The principal activities of UNRRA included:

One: At the end of the third quarter of 1945 cumulative shipments of relief materials from all sources totalled 2,126,222 long tons, valued at 433,816,000 dollars (landed cost). Whereas about half of the shipments included in the total for the second quarter of 1945 were taken over from civilian relief stocks of the military authorities, almost all supplies shipped during the third quarter shipments, equivalent to more than 135 full shiploads, were more than double those of the preceding quarter. Included were 616,840 tons of food, 237,150 tons of industrial rehabilitation supplies, 106,865 tons of agricultural rehabilitation supplies, 56,558 tons of clothing, textiles, and footwear, and 7,811 tons of medical supplies.

Two: As of September 30, UNRRA had expended or committed over 88 per cent of its available resources. Of the 1,268,750,254 dollars comprising operating contributions to . . .

contributions to date -- including the entire United States contribution -- 1,122,131,582 dollars had been committed for relief and rehabilitation supplies and services. Of the 15,415,334 dollars available for administrative expenditure, 11,692,128 dollars had been committed. For all purposes, UNRRA had a balance of 150,341,878 dollars available for commitment as of the end of the third quarter of 1945.

Three: Operations were stepped up during the third quarter in the countries of central, eastern, and southern Europe. Agreements were signed between UNRRA and the Governments of Poland, Albania, and the Dodecanese Islands. Increased quantities of supplies were shipped into Greece, Yugoslavia, Czechoslovakia and Poland. Unloading problems were in part overcome by the opening of the ports of Gdynia and Gdansk for Poland, Bremerhaven and Hamburg for Czechoslovakia, and Trieste for Yugoslavia.

Four: As of September 30, 4,323 UNRRA workers were employed in the operation of assembly centers, established by the military for Allied displaced persons in Germany, while 449 other UNRRA personnel were in a forward staging area awaiting deployment into the field. About 1,300,000 displaced persons were still being cared for in these assembly centers. While negotiations were under way for UNRRA to take over the direction of displaced persons operations from the military, UNRRA personnel were "winterizing" the centers.

Five: Over 27,000 displaced persons had been repatriated from UNRRA's Middle East camps by the beginning of September, and the remaining 13,000 were being sent home as fast as shipping permitted.

Six: The wrecking of the inland transport systems during the war constituted a grave threat to the relief program. To overcome this, UNRRA had arranged for procurement of approximately 50,000 trucks for Czechoslovakia, Greece, Poland and Yugoslavia.

Seven: UNRRA's program of limited aid to Italy was in full operation, and most of the 50 million dollars allocated had been appropriated.--USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## SCIENCE REVIEW

### NEW LIGHT THROWN ON USES OF DDT

New York, Feb. 9 -- DDT, the master insecticide of the war, has proved its unique effectiveness for civilian use also against annoying, destructive and disease-carrying insects. Numerous U.S. Government agencies are now making public the findings of tests made during the past several years.

The results of the experiments, undertaken to probe into DDT's peacetime versatility, indicate that for warm-blooded creatures DDT is no more poisonous than Paris green or sodium fluoride, if used with caution. Not a single fatal accident to human beings through DDT poisoning has been reported authentically. On the other hand, cold-blooded creatures, once exposed to DDT, invariably suffer death. Some plants are also affected by it.

DDT, chemically known as Dichloro-Diphenyl-Trichloroethane, is a white crystalline substance. Both an external and internal poison, it seems to operate on the nervous system. Its outstanding feature is residual toxicity, for it clings to objects and remains effective for weeks and months.

Prepared for use as dust, DDT resembles baking powder or flour, and, as a precaution, should be stored outside the kitchen or pantry, clearly labelled. Neither the powder nor water suspensions are harmful to human beings, unless taken orally (in food), or absorbed through the skin. Handlers should wash immediately with soap, especially since the effect of DDT-accumulation in the human body has not been fully tested yet. Ill-effects, such as headaches or nausea after extensive spraying with kerosene or xylol solutions of DDT, have been traced to the fumes of the solvents rather than to DDT.

Greater care is required when DDT is used in fields or in gardens. To fish and other cold-blooded creatures like snakes and crabs, it is highly poisonous, even in minute quantities. In one test, DDT accidentally blown over a pond killed the fish population within a few minutes.

Warm-blooded creatures, with the exception of a small number of birds, were virtually unaffected by doses of one-half pound per acre, but died when higher doses (five pounds per acre) were distributed. The honey bee, irreplaceable pollinator of agricultural crops, is little affected by contact with DDT-sprayed flowers, but has small chance of survival when sprayed directly. Areas visited by bees require great caution in the use of the insecticide.

In the . . .

In the garden, DDT may retard the growth of tomatoes, corn, and beans, and is highly toxic to plants of the squash, cucumber, and melon family.

For households, solutions of from three to ten per cent were found effective for from two weeks to six months against flies, bedbugs, and mosquitoes; but cockroaches and ants were not more affected than by other compounds. As a soil poison, one application did away with termites for two seasons.

After spray tests on a large scale, scientists believe that DDT offers a real method for mass control of such insect-born diseases as malaria, yellow fever, dengue, filariasis, and encephalitis (mosquitoes); typhus (lice); chronic conjunctivitis, trachoma, dysentery, cholera, plague (gnats, flies, and fleas).

New Drug for Malaria -- Announcements of a new synthetic drug against malaria and changes in first aid methods made news in the medical field recently.

The new drug, SN 7618, one of the many important results of wartime research under the U.S. Government's Office of Scientific Research and Development, was synthetically produced as the 7618th of 14,000 compounds tested.

SN 7618 is said to relieve acute attacks three times faster than quinine or the synthetic atabrine, may be taken daily, and does not stain the skin or cause nausea. Its development also disclosed possibilities for another synthetic drug said to hold promise of becoming the long-sought actual cure for the relapsing form of malaria.

Improved Treatment of Burns -- Major changes in the treatment of burns, shocks and fractures, and in the control of bleeding have been introduced by the American Red Cross in its first aid courses, as a result of experience on the battlefields.

Contrary to previous practice, both the Red Cross and the National Research Council, Division of Medical Sciences, warn now against "over-zealous application of heat. Instead, heat is to be applied carefully and according to environmental conditions so as not to disturb the body's protective mechanism and drain blood away from vital organs. The danger of overheating is greatest in shock due to hemorrhage, burns, or considerable tissue destruction, such as serious lacerations. Stimulants have been found without value, while ordinary warm fluids given internally are often useful.

For the control of bleeding, pressure applied with a sterile compress directly into the wound is recommended in contrast to previous pressure on artery stops. For burns, tannic acid is no longer advised. Soothing ointment for first-degree burns, covering with sterile dressing in more serious cases, takes its place. Traction splinting is recommended for non-compound leg fractures only.

Helicopter's Bid for Commercial Use -- A new helicopter, built by the Sikorsky Aircraft Division of the United Aircraft Corporation, has established several new international records in a public performance at Bridgeport, Connecticut which attending experts hailed as the helicopter's bid for commercial use in short-haul transportation.

The new craft has both a top and a tail rotator, tricycle landing gear, and plexiglass nose. It reached a speed of 114.6 miles per hour (old world record, established 1937, 76.15 mph), travelled 110 mph with a load of 1,000 pounds, and 105 mph with 1,650 pounds. The highest altitude reached was 21,000 feet, nearly

10,000 feet higher than the old world record.

Cosmic Ray Research -- Sixty-one year old Dr. Joan Piccard, known for his stratosphere balloon flights in the early thirties, and now Professor of Aeronautics at the University of Minnesota, plans another trip in a gondola, hoisted by a cluster of one hundred balloons. He hopes to reach an altitude of 20 miles (105,600 feet) and to discover unknown facts about cosmic rays, believed to hold the key to new atomic advances. The balloons will be made of plastic material and each one will be capable of swelling to 100,000 cubic feet in the stratosphere. His wife plans to pilot the balloons.

Radio Direction Adds to Safety of Air and Sea Traffic -- A new system of long-range radio direction finding on short and ultra short waves, employed during the war most successfully to trap and hunt down underwater raiders, has been made public by the U.S. Navy. The new High Frequency Direction Finder, called HF/DF, operates already on airfields along the shores of the North American continent, in Europe, Africa, and the Far East, to fulfill its peace-time mission of furthering the safety of air and sea traffic.

Radio direction finding, until the advent of HF/DF, was restricted to medium wavelengths. Short waves, because of their vagaries and reflection properties, were deemed unfit for the purpose. HF/DF is said to be equally effective on frequencies from 1.5 to 30 megacycles, and its system of taking multiple bearings on one source of radio signals proved highly effective during the war.

A worldwide network of HF/DF stations dotted the shores of the Atlantic from Jan Mayen Island between Iceland and Spitzbergen, to Bahia, Brazil, and the coast lines and islands of the Pacific. Dozens of "finders" continually scanned the ether for frequencies used by enemy submarines. Every one of the stations could alert the network within eight seconds, or tune in on a reported frequency. Once dialed to the proper wavelength, the incoming signal was pictured as a dot or streak of light on the surface of a cathode-ray tube, which revealed immediately the angle of arrival of the signal with reference to true north.

In a matter of seconds, dozens of such bearings were reported simultaneously to HF/DF Net Plotting Centers in Washington, London, and Ottawa (Canada) for the North Atlantic, and to all patrols near the sub. The bearings were plotted on a chart, and their point of intersection revealed immediately the sub's location. Orders went out to reroute convoys to safer lanes, and to dispatch warships and planes to hunt down the marauder or "wolf pack." HF/DF reduced the sinkings by Axis submarines by a ratio of 50 to one. The shortest break of radio silence became deadly business for enemy subs, which dared use their transmitters only in the most dire emergency. Beyond contributing largely to the winning of the war against U-boats, HF/DF also located enemy radar installations. It saved Allied planes in distress at a rate of an estimated thousand per year. Such efficiency and its capacity of reaching over practically unlimited distances, are said to make HF/DF the perfect teammate to safeguard air and sea lanes in peacetime.

Use of Radar Enables Blind Landings of Aircraft -- Another advance towards air traffic safety is a hitherto secret use of radar for guiding planes to blind landings, described recently in American scientific publications.

The advantage . . .

The advantage of the new GCA (Ground Controlled Approach) is that the guided craft needs no other equipment than the standard two-way radio. GCA combines two microwave radar systems. A search beam of two-dimensional radar type, rotating 360 degrees, locates approaching planes and leads them into the ten-mile range of the precision system. The precision system, second component of GCA, is the heart of the new landing guide. Its elevation beam shows the plane's altitude and rate of descent, its azimuth beam, direction and distance from the field. The plane's course appears on calibrated error meters, with a hair line representing the ideal approach. Five GCA operators in permanent radio contact with the plane guide the pilot by oral instructions. The whole GCA set can be housed in a truck and trailer.

Jet-Propelled Air Planes -- A new advance in jet-propulsion is a miniature engine of nine and one-half inches diameter, weighing only 145 pounds for all its 275 pounds of thrust. It can be lifted and carried by one man. Its turbine velocity of 34,000 rotations per minute makes the small unit capable of producing speeds up to 375 mph. Designed originally for "buzzless" buzz bombs by engineers of the Westinghouse Electrical and Manufacturing Co., it may see service in driving helicopter rotors or propellers of light planes, not suitable for direct jet thrust.

Rear-Engine Autos -- One of the future American automobiles, planned to arrive on the market within two years, will be rear-engine driven, with a plastic glass body with half the weight and twice the economy of today's cars. This advance in the automotive industry was predicted by W.B. Stout, engineering consultant for both the Consolidated Vultee Aircraft Corporation and Graham Paige Motors Corporation, for which Stout is designing the new car.

Rear-engine mount provides better traction, higher braking power, easier steering, and better vision for the driver. The car interior will provide sufficient room for a couch, movable lounge chairs and a table. Bodies of glass or equivalent fiber are claimed to be five times as strong as steel and cheaper in production.

Anti-Friction Ball Bearings for Cars -- Future cars will also last longer and operate more efficiently because of extended use of new high-precision, anti-friction ball bearings, in the opinion of S.F. Wollmar, of the Society of Automotive Engineers. Tests under combat conditions and also on railroads showed that some engines equipped with the new anti-friction bearings performed the work of 35 conventional engines at twice the speed. The new bearing is of infinitesimal accuracy. It is made of cold drawn steel, usually containing one per cent carbon, one and one-half per cent chrome and three-tenths of one per cent manganese, and is able to withstand 300,000 pounds of pressure per square inch.

Ultra-precision manufacturing methods, combined with rigidly controlled atmospheric conditions in the workshops, bring the surface smoothness of the ball bearing to within one-millionth of an inch of true dimensions, the size accuracy to within 2/100,000th of an inch, and that of roundness to within 1/100,000th of an inch. The tolerance of some of the bearings is so close that they can be lubricated only by means of an oil mist spray.

Luxury Omnibuses of Future -- Tomorrow's motorbus was visualized at a meeting of the Society of Automotive Engineers, held recently in Detroit, center of America's automobile industry, as a vehicle with pressurized, air conditioned, passenger compartments, individual radio sets, circulating ice water, retiring rooms, hydraulically operated doors, and individual draft controls. The performance of the new bus is expected to permit a new low in passenger fares. ---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## RECONVERSION OF AGRICULTURE IN THE UNITED STATES

New York, Feb. 10 -- The place of farmers in the changing economic and social constellation of postwar America was discussed recently by U.S. Secretary of Agriculture Clinton P. Anderson before the annual meeting of the National Council of Farmers' Cooperatives in Chicago.

During the war, Anderson said, astounding new developments in production and marketing materially changed living habits in the United States. But the changes were accepted without much time for thought about their economic and social implications. After the war years of hard work and long hours, the American farmer finds himself on a new national scene, faced with the task of re-appraising his present stand and his future in what Secretary Anderson called a world of "sheer economic giantism."

### Family Type Farms

Of the more than six million farms in America, the majority belong to the family type. While concentration of economic power in industry has moved steadily ahead during the century, agriculture felt its effect only in the last generation. During that period the farmer, in his own way, undertook to utilize the means of increased production, and yet to maintain to a large degree the traditional American pattern of individually-owned, family-type farms.

"Agriculture, too, has moved in a period of big business," Secretary Anderson stated. Emphasizing the deep-rooted policy of national and state Governments to help maintain the family farm as a way of life, he declared: "We definitely do not want our farms to become soulless factories, owned by impersonal stockholders, and operated by hired managers and hired workers, with success and failure measured entirely by dollars and cents, figures in company ledgers."

The very nature of farming in America, from the time when the first pioneer families pushed westward across the plains and over the mountains, under great personal danger, makes cooperation a prerequisite of success and stability. Today's formal cooperatives in agriculture are a direct outgrowth of the pioneer spirit of neighborliness. From those distant beginnings, they have come to play an integral part in the life of the American farmer.

### Half U.S. Farmers Are Cooperative Members

American farm houses, for the most part, are dispersed, not huddled together in villages. Cooperative action, though more difficult, becomes more necessary

at the . . .

at the same time, and reaches more deeply into the civic and social life of the rural community. It is estimated that half the farms in the United States are members of cooperative associations. Farmers pool their knowledge and their labor, their trucks and their repair shops. Thousands of such cooperatives are efficiently operating.

In addition, some 7,500 associations with a reported membership of 2,750,000 are engaged in marketing, 2,000 mutual insurance companies protect farmers against losses from wind, hail and fire. Two thousand seven hundred associations, with 1,500,000 members and a business volume of over 1,000 million dollars a year, are engaged in purchasing farm equipment. Organizations which provide irrigation or help improve the produce of the soil are numbered in the thousands.

Along with the cooperatives, the U.S. Government carries on many activities which help the family farm. One of its most important programs, especially beneficial to the small farms, is that of the U.S. Rural Electrification Administration. The REA has increased the ratio of farms with electricity from less than 11 per cent in 1935 to nearly 45 percent in 1945.

The Agricultural Adjustment Administration, established in 1933 during the depression, helps the farmer plan his production and grow the most advantageous crops. Under the agency's "ever-normal granary" plan, non-perishable crops are stored in times of surplus to keep farm prices and incomes stable and to provide for years of scarcity.

#### State Aid to Farmers

Other types of help and advice are provided by the Agriculture Department's Extension Service, which is financed and operated in cooperation with state and local agencies. In essence, the Extension Service provides a nationwide, informal system of education in all matters pertaining to the farm and to farm life. Subjects range from new methods of cultivation to civic education, from marketing to home economics.

Health care for the farmer is provided by means of association funds, established with the help of the Agriculture Department and maintained by monthly membership fees.

The laboratories and experimental stations of the Department develop and make available to the farmer scientific methods of soil conservation, improvements in production methods, new means to fight plant diseases, new industrial uses of fiber and other crops and many other advances in sound farming.

Financial aid is open to the farmer through several agencies in the form of loans direct to the farmer or to his cooperative. Combined with financial advice, such loans help the farmer modernize his ways of cultivation, and have helped many a rural family through times of need.

To extend such benefits over the whole expanse of American agriculture and to bring the remotest farm into the orbit of modern economy is the ultimate aim of farm cooperatives and of U.S. Government policy. As Secretary Anderson said in his Chicago address: "We want to aim for maintenance and improvement of the family farm."--USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 13, 1946

## U.S. SYMPATHETIC TOWARD INDIA'S FOOD NEEDS, BYRNES SAYS

Washington, Feb. 12 -- Secretary of State Byrnes at a press conference today referred to a letter dated February 6 from the secretary of the National Committee for India's Freedom asking that more food be sent to India to avert a famine and said that the United States recognizes the extreme seriousness of the situation in India and other countries facing acute food shortages this year.

He said the United States is doing everything in its power to implement the agreement of last week, to relieve food shortages wherever they exist. The Secretary expressed his sympathy for the people of India and said this Government, in common with the other governments concerned, is giving every possible consideration to this grave problem.

## Future of Italian Colonies

On the Italian situation, Byrnes was asked for the reaction from Great Britain, Russia and France on the United States proposal for a neutral admini-

strator for the four Italian colonies. Elaborating on the subject, he said that the British proposed that Italy agree to a settlement by the other powers. Russia demanded that she be made sole trustee for Tripolitania, but was willing to discuss arrangements for the other colonies. The Russian delegate at the Foreign Ministers' Conference did not indicate whether her trusteeship would be of a strategic character.

France suggested that Italy be trustee for the colonies, but would go along with the United States proposal. Britain also said she would follow the United States lead, although preferring her own plan.

Byrnes said the matter is now being discussed by deputies of the foreign ministers in London. As to how soon the matter would be settled, and whether treaties with the Balkan states would be completed in time for the general peace treaty conference expected in May, Byrnes declined to comment.

Byrnes called entirely erroneous a story that the United States would support Don Juan in his claim to the Spanish throne.

#### Balkan Powers' Armed Forces

As to a report from Budapest that Russia was providing Hungary with an army of 100,000, Byrnes said he knew nothing to justify this. As to similar proposals permitting Hungary, Rumania, Bulgaria and Italy to maintain conscript armies, Byrnes said this would be discussed in the peace treaty negotiations. Byrnes said that an army for Italy was discussed in London, but the language was general, that any army should be only large enough to maintain order, or for border protection.

Answering several questions on Mongolia, Byrnes said that at Yalta Russia recognized Chinese sovereignty over Outer Mongolia. However, it was agreed to hold an election there, and this took place in October 1945. The Chinese National Government had a representative present and will abide by the Mongolian decision to be independent. Byrnes added that Inner Mongolia was recognized as part of China.

As to disposal of Japanese property in Manchuria, Byrnes said that the United States believes that the Far Eastern Commission or any reparation body set up should decide this. At present the Chinese and Russians are discussing the matter, and China has been asked to keep the United States informed. One report has already been received from China.

Regarding the news story saying that de Gaulle resigned as head of the French Government because the United States requested naval bases, also 49 per cent of railway receipts in exchange for a loan to France, Byrnes said this was untrue, and worse than the Don Juan story. A reporter asked who planted these stories, but Byrnes referred that question back to the press.---USIS.

#### INCREASED PRODUCTION OF DRUG FOR BLOOD PRESSURE SCHEDULED

Washington, Feb. 12 -- The Department of Agriculture announced recently that full-scale commercial production of rutin, a drug having newly discovered value in treating capillary fragility arising from high blood pressure, will begin shortly.

Large-scale production of the drug is now possible through the discovery that the green buckwheat plant is an economical source. The drug is found chiefly in the leaves and blossoms of the plant. Buckwheat producers will be able to grow more than one crop yearly because the crop is harvested five weeks after the seed has sprouted, when rutin yield is highest, instead of when grain has ripened, the announcement said.

Rutin was first isolated over a century ago, but its medicinal value was not revealed until research begun two years ago by the Department's Bureau of Agriculture and Industrial Chemistry and clinical tests by the University of Pennsylvania proved its worth.

Besides the drug's application in treatment of weakened blood vessels, research has led to the opinion that it may also be of aid in nutrition, contributing to the growth and hardness of teeth and bones much in the manner of vitamin C. Doctor Percy A. Wells, director of Eastern Laboratory of the Bureau of Agriculture and Industrial Chemistry, estimated that 10,000 pounds of rutin will be required for medical purposes in 1946. Eventually, Wells said, 1,300,000 pounds will be needed annually to meet both medical and nutritional requirements.

---USIS.

10 PER CENT DROP IN RICE PRODUCTION THIS YEAR

Washington, Feb. 12 -- A 10 per cent drop in the 1945-46 world rice production over the preceding season is forecast by the U.S. Department of Agriculture, which indicated that production is estimated at 15 to 20 per cent below the prewar production.

The Agriculture Department places the world rice harvest for 1945-46 roughly at 6,200 million bushels. Most of the reduction was in Asia, where 95 per cent of the world's rice is grown. The greatest decline was in the Japanese-occupied countries and the Japanese home islands. Asiatic rice production for 1945-46 is estimated at 5,800 million bushels, compared with 6,300 million in the preceding season. As a result of the short crop, milled rice supplies in Asia are about 40,000 million pounds less than before the war.

Exports from Burma, Siam and French Indo-China, which averaged about 12,000 million pounds of milled rice annually before the war, probably will amount to 15 to 20 per cent of the prewar average in 1946, according to the forecast of the Agriculture Department.

The report said the 1945 rice crop in China was smaller than in 1944 and about 18 per cent less than prewar. The Department's forecast indicates a smaller crop in India than last year. Ceylon's crop in 1945 was cut approximately in half by drought. North America's rice production increased and South American rice acreage, much of which is yet to be harvested, is larger than it was a year ago. Africa's output also shows an increase. ---USIS.

YEMEN DESIRES CLOSER RELATIONS WITH U.S.

Washington, Feb. 12 -- The Department of State announced today that the United States Government is planning to enter into relations with the government of Yemen.

His Majesty the Imam Yahya, King of Yemen, has invited the United States Government to send a special diplomatic mission to his kingdom to discuss the proposed agreement of commerce and friendship. The mission, the personnel of which will be announced in the near future, is expected to proceed in March or April of this year. Negotiations will probably be held in San'a, capital of Yemen.

Yemen has treaty relations with a number of countries including Egypt, France, Great Britain, Iraq, Italy, Saudi Arabia and the Union of Soviet Socialist Republics. Yemen is the last of the Turkish succession states not under mandate, containing four million people and occupying about 75,000 square miles in southwest Arabia.

In 1945 Harlan B. Clark, United States consul at Aden, Arabia, conferred with the King of Yemen regarding the establishment of diplomatic relations. At a press conference here today Clark pointed out that Yemen is one of the richest countries in the Middle East which has enjoyed ethnical unity for the past 3,000 years. It is now a member of the Arab League and has the same independence as Saudi Arabia.

Clark also said that during an inspection trip to Yemen in 1945 he found that there were several Yemenese serving in the United States Navy and Army, and he awarded the Purple Heart posthumously to one of the men of Yemen in the United States Army who was killed while serving in North Africa. Yemen also has its own army.---USIS.

TELEVISION BROADCASTS MARK LINCOLN BIRTHDAY OBSERVANCE

Washington, Feb. 12 -- Ceremonies commemorating the 137th birthday of Abraham Lincoln were highlighted today by the inauguration of the first Washington to New York television network broadcast over a new supersensitive underground cable. Colorful ceremonies were held at the base of the statue in the famed Lincoln Memorial and also on the steps of the nation's Capitol building.

At the Lincoln Memorial an audience representing high Government and armed services officials as well as more than a score of patriotic civic organizations watched as General of the Army Eisenhower, Army Chief of Staff, as President Truman's representative, laid a wreath at the base of the Lincoln statue.

On the Capitol steps during the television broadcast many Government and Congressional leaders were interviewed. They hailed television as a great contribution to education and understanding of the people. Congressman Clarence F. Lea of California pointed out that television would make it possible to see from one side of the continent to the other, and ultimately across the oceans, thus bringing the people of the United States closer to their world neighbors.

House speaker Sam Rayburn announced that the next joint session of the two Houses of Congress would be televised.

Newspapers across the country today paid tribute to Lincoln, his ideals, and his deeds. The New York Herald Tribune said: "It is of very little practical importance whether the ideal of Lincoln is greater than Lincoln the man. What is important is that the ideal of Lincoln is good and is exercising ever greater power. It is a legend compact of faith, of stubborn courage, of humanity that persists through pain and wrath. It is liberty, equality, fraternity personified.

---USIS.

6,400,000 lbs OF DEHYDRATED EGGS FOR EXPORT

Washington, Feb. 9 -- The Department of Agriculture Thursday announced acceptance of offers of 6,400,000 pounds of dried whole eggs for foreign shipment under its recent purchase announcement. The target of the program is 25 million pounds for delivery in February and March. ---USIS.

MACARTHUR REPORTS ON OCCUPATION

CONVERSION OF INDUSTRIES AND DEMOCRATIZATION MAKES HEADWAY

Washington, Feb. 13 -- There was no evidence in November of widespread starvation or mass undernourishment in Japan, General Douglas MacArthur, Supreme Commander for the Allied powers, declared in his November 1945 report on non-military activities in Japan and Korea. The 200-page document is the second report on the military government of Japan and Korea by the Supreme Commander for the Allied powers and it covers political, economic and social activities of the occupying forces.

In his report on civil administration in Korea, MacArthur objected to the division of Korea into American and Soviet zones of occupation. He said: "The artificial division of Korea at 38 degrees north latitude into American and Soviet zones continues as a barrier against the free exchange of goods, persons and information. All parties seem to be united in opposing both the trusteeship policy and the division of the country into two occupation zones."

Gen. MacArthur's report on Japan included the following observations: "There was a noticeable increase in the shift of population from rural to urban areas where new residences have been constructed. There was no evidence to confirm rumors of widespread starvation or of mass undernutrition. There was no indication of any significant increase in disease."

Gen. MacArthur reported that democracy was meeting with some success in Japan, although the majority of the political parties represent small factions fostering personal ambitions.

The report continued: "Control of Japan's war-making power is adequately assured by the measures which have been imposed since the beginning of the occupation to prohibit the production of war materials. War potential industries, such as iron, steel, chemicals, light metals and heavy machinery, are presently operating on a limited scale. The acute shortage of coal and lack of essential raw materials retard the production of these industries."

The major problem in Japan at present, MacArthur said, is the assurance of proper distribution of available stocks. The most serious shortages was reported in coal. On this MacArthur said: "Production is now running well below the level of minimum requirements and stockpiles are being rapidly depleted. Unless the steep downward trend in coal production is abruptly reversed industry and transportation will be seriously affected. Many industries are suffering from a shortage of fuel!" The coal shortage was attributed to lack of an adequate labor supply. The Japanese Government was said to be conducting a labor recruiting drive and granting increased food allowances for miners. To conserve coal, railways have drastically curtailed passenger service, the report added.

#### Conversion To Peacetime Production

Gen. MacArthur's report on general economic conditions summarized the situation as follows: During November conversion of war industries to peacetime production made headway. The railway system was largely restored, and supplies of consumer goods began to appear on the market in greater quantities. Other conditions are definitely unfavorable. Stocks of raw materials are being rapidly exhausted. The Japanese Government is being encouraged to improve the system of food collection and distribution, to bring new land under cultivation and produce food substitutes to a maximum. As the result of typhoon damage, flood losses and adverse weather further reduction has been made in estimates of the food supply available in 1946.

Gen. MacArthur's second report was generally optimistic. He said that "contacts between Allied troops and Japanese civilians continued to be satisfactory." It was noted that "collection of stocks of narcotics by the occupation forces was progressing satisfactorily."

A broad program for development of a more democratic economic life for Japan was outlined in the report. By a MacArthur directive for the Allied powers all private trusts and combines were dissolved and inter-company security holdings

eliminated . Gen. MacArthur said this would encourage a more democratic ownership of the means of production and trade.

Another development cited was the announced policy of encouraging freedom of labor as a step toward development of democratic forces. Changes in the Japanese governmental structure were said to result primarily from Gen. MacArthur's directives, but in some cases from Japanese initiative.

The report explained that the Communist party was the only major group in Japan consistently attacking Japanese imperialism. It said the Communists have been suppressed for a long time and as a party they are free from war guilt. They are demanding that all idle land be explored and given to the farmers. Though the Communists have no representation in the Diet they have been able to force discussion on matters normally undebatable. ---USIS.

#### RECORD PRODUCTION OF FARM MACHINERY IN 1945

Washington, Feb. 12 -- Farm machinery production in the United States during 1945 totalled 663,484,196 dollars, the office of Civilian Production Administration announced recently. This was an increase of approximately 20 million dollars over the 1944 output, CPA said.

Export shipment of farm machinery during the last six months of the year reached 12 per cent of the total output, the approximate proportion of prewar years, the report added.

The 1945 production included an unusually large proportion of repair parts and attachments to replace parts worn out due to heavy wartime usage. However, according to the report, late 1945 production inclined more toward new machinery with repair parts output declining. The report was based on figures from 300 firms representing 90 per cent of the industry's output. ---USIS.

#### U.S. CLOTHING FOR DISPLACED PERSONS IN GERMANY

Washington, Feb. 12 -- The first shipment of clothing from the United States for displaced persons in UNRRA assembly centers in the American occupation zone of Germany will arrive this week, UNRRA announced yesterday. The present shipment of 900 tons was obtained through drives for clothing in the United States. An additional shipment of 1,000 tons is expected to arrive from the United States soon. ---USIS.

ANGLO-U.S. AVIATION AGREEMENT

Washington, Feb. 11 -- The results of the Bermuda Civil Aviation Conference, which concluded today, were announced by the United States and the United Kingdom. The joint press release stated that the final documents signed today resolved "all the chief aspects of civil aviation outstanding between Britain and America," and "should provide a firm foundation on which future and closer aeronautical collaboration between the two nations can be built."

Briefly, the conference decided that:

First -- Rates to be charged by air carriers between points in the two countries are to be subject to governmental review.

Second -- The U.S. Civil Aeronautics Board has announced its forthcoming decision approving the traffic and rate conference machinery of the International Air Transport Association for one year.

Third -- Each country will be free to determine the frequency of operations of its airlines.

Fourth -- Air traffic may be carried subject to principles which may be adjusted in particular cases according to experience.

Fifth -- "An initial schedule of world-wide air routes of mutual interest to the United Kingdom and the United States" was agreed upon.

Sixth -- Air bases leased by the United Kingdom to the United States are to be opened for civil use as soon as possible, "wherever such use will contribute to the overall development of civil aviation along sound economic lines."

Seventh -- Disputes over this agreement which cannot be settled by consultation are to be referred for an advisory report to the provisional International Civil Aviation Organization or its successor. ---USIS.

THREE-MILLION-UNIT EMERGENCY HOUSING PROGRAM FOR U.S.

Washington, Feb. 12 -- Wilson W. Wyatt, National Housing Expediter, announced yesterday that building materials will be controlled through allocation at the source of production as one of the measures to be taken in speeding the Government's three-million-unit emergency housing program. Hundreds of experts are being assembled to visit all parts of the country to overcome delays in materials, site development and allocations. ---USIS.

U.S. INTERESTED IN ITALIAN ELECTIONS

Washington, Feb. 11 -- Secretary of State James F. Byrnes made the following statement today on the Italian elections:

The United States Government is keenly interested in the coming Italian elections during which the people will elect a constituent assembly to carry out the grave task of drafting a new constitution. Our interest in the elections of an Italian constituent assembly is easy to explain. Even before our armies landed on the Italian soil to rid Italy of fascist and Nazi oppression, we plodged the Italian people a free government. That plodge was solemnly renewed in the joint declaration of October 30, 1943, which stated that "nothing can detract from the absolute and untrammeled right of the people of Italy by constitutional means to decide on the democratic form of government they will eventually have."

The Italian constituent assembly will have a delicate and an imposing task in giving a constitution to a country known as the "Mother of Law." In that task it will have our best wishes and our encouragement. ---USIS.

MORE MALES ARE BORN IN U.S.

Washington, Feb. 12 -- Male births outnumbered female births in the United States each year since national birth tabulations have been available, according to J.C. Capt, Director of the Bureau of Census, Department of Commerce.

Of 2,794,800 live births registered in the United States in 1944, Capt said, males numbered 1,435,301 and females 1,359,499. The sex ratio in births for 1944 was 1,056 males per 1,000 females.

For the total population the division is 69,694,981 males and 69,926,450 females. ---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## U.S. LOAN TO BRITAIN MEANS EXPANSION OF WORLD TRADE, SAYS BYRNES

New York, Feb. 12 -- In an address delivered before the Foreign Policy Association here Monday night on the proposed United States loan to Britain, Secretary of State James F. Byrnes answered many of the criticisms levelled against the measure. He pointed out the necessity of the proposed line of credit to Britain to realize the American goal of a freer world trade and an expanding world economy, both of which were essential to continued prosperity in the United States. Following are excerpts from Byrnes' speech:

I am sure that had the members of this Association travelled to London last month as I did, they would have shared my deep satisfaction with what I saw and heard there. It was a happy privilege for me to declare to the General Assembly, on behalf of the Government and people of the United States, that we are wholeheartedly committed to the success of the United Nations.

The newspapers and radio broadcasts have been filled with accounts of the disputes which have been aired these past weeks in the Security Council. Iran and Greece have been the subject of direct and frank debate, particularly between the representative of the Soviet Union and the representative of Great Britain. I cannot feel that the open discussion of these disagreements is a cause for alarm. Quite the contrary. Open discussion has not prevented agreement with respect to the disputes over Iran and Greece.

Yet the public expression of these divergent viewpoints reminds us of the difficulties which stand in the way of wholehearted international co-operation. We may wish that these difficulties did not exist. But we will be ill advised to ignore their stubborn presence.

I wish to talk to you this evening about one of the most important of these difficulties and about our plan for helping to remove it. The problem I have in mind is the economic and financial dilemma into which the war has plunged Great Britain. The partial solution I am thinking about is the Anglo-American economic and financial agreements.

## Britain's Dire Flight

In the course of the discussion and debate that these agreements have evoked, the nature of the problem facing Great Britain has become familiar to all of us. Before the war, the British people bought about a fifth of all the goods that were exported by all the other countries in world trade. They were our largest single customer. They were the largest customer of many other countries. They paid in goods, in the income from their overseas

investments and from the earnings of their merchant fleet.

Now, as they emerge from the war in which they suffered so bitterly, their exports are down to about a third of what they were in 1939. Many of their plants producing goods for export have been bombed out of existence. Many foreign investments have been sold and foreign properties damaged or destroyed. Much of Britain's merchant fleet has been sunk. The British borrowed heavily abroad. At the same time they sacrificed their export trade and converted their entire economy to war. Now, Britain must reconvert, and on a much larger scale than the United States. Britain must reconstruct, which we do not have to do.

But unless credit is extended to the British they cannot purchase abroad the goods and equipment they need in order to reconvert and to reconstruct. Until this is done Britain's purchases cannot reach the old volume, much less expanded volume. Such a situation cannot cure itself. Yet it is essential for the economic health of the world that it be cured quickly.

No one imagines that financial agreements alone will remedy this situation. Whether or not Congress approves the agreements, the British people face a lean period that will continue for some years. But the financial agreements will permit the British to buy food and machinery and raw materials -- the first things they need in an effort to restore their economy.

Here in the United States we are in the mid-passage in our reconversion. . . . I suggest to you that when we have settled the industrial disputes and the other problems that are crowding in on us so insistently, we shall become more keenly aware that our ultimate prosperity heavily depends upon whether the economy of the world is free or in chains.

#### Interdependence of World Economy

We take for granted the interdependence of our national economy. The interdependence of world economy is less apparent. But it is quite as real. Prosperity here and abroad requires expansion both of production and of markets. We know that we in the United States cannot reach and maintain the high level of employment we have set as our goal unless outlets for our production are larger than they have ever been before in peacetime.

Thus Britain's difficulties in returning to normal economic intercourse are of direct concern to us. The economic agreements we have drafted to help meet those difficulties have several objectives. We have acted first to settle the war accounts. Those who remember how the last war's debts haunted the world will welcome the expeditious disposal of this issue. Our claims on Britain and Britain's claims on us for materials delivered under lend-lease and reverse lend-lease and consumed before V-J Day have been disposed of. The victory was the payment we got for these goods. . . .

The provision of the agreements which has commanded the greatest public attention is the extension of a line of credit to the United Kingdom totalling 3,750 million dollars. This credit may be drawn upon any time from the day Congress approves the agreements until December 31, 1951.

#### Will Not Lead to Inflation

I have heard it said, for example, that the credit will contribute to inflation in this country. If a sum of this size were all to be drawn at once

The objection also is heard that, while this British credit is justified it should not be granted because it will require us to make similar loans to other governments. With this argument, I disagree. This credit is not a precedent for anything. It is unique, because the position of Britain in world trade, her need for working capital, and the effect upon world trade of her acquiring that working capital, all are unique.

Several other countries do need capital to reconstruct and improve their industry and transport. The Export-Import Bank has made loans for these purposes under its existing powers and will make others, at least through 1946. By that time the International Bank for Reconstruction and Development, set up by the 34 nations signing the Bretton Woods Agreements, should be ready to take over much of this activity.

#### Removal of Trade Restrictions

I say that the agreements provide for more than an extension of credit, because they contain pledges on Britain's part to remove as rapidly as possible emergency controls over foreign exchange, to abolish the so-called "sterling area dollar pool," to abandon discriminatory import restrictions, to participate in the next summer's negotiations for reduction of world trade barriers, and to support the proposals for the expansion of world trade and employment, which our Government published last December.

Before the outbreak of the war, the world was beginning to fall into narrow and tight commercial compartments. In many ways, the war gave impetus to this development. Unless the most powerful and united effort is made now to achieve a sharp reversal to this trend we cannot hope to realize the traditional liberal American dream of a free world trade. The partnership of Britain in this undertaking is consequently of the first importance. But it matters not how much the British may wish it otherwise. They can join this partnership only if the financial agreements are approved.

If the loan is approved, we can look ahead with considerable confidence to a general reduction of tariffs and elimination of preferences; to a minimum of quotas and embargoes; to intelligent and restrained resort to government subsidies; to general acceptance of the rule that international business should be conducted on a business basis and not as a phase of political necessity. We can look ahead also to a loosening of the grip of cartels and combines upon world commerce; to multilateral arrangements for the handling of surplus commodities; and to a progressive limitation upon export restrictions and price-fixing arrangements.

The United States believes that these objectives will be best served by the establishment of an International Trade Organization under the Economic and Social Council of the United Nations. We believe that the International Trade Organization can become one of the most important foundations of a lasting peace.

The British credit is a large investment undertaken to gain an even larger objective. Without it, our efforts to construct an expanding world economy may well be frustrated. With it, we shall have won the support of a powerful ally in our efforts to break down those harmful economic practices which throttle trade, perpetuate poverty, engender ill-will among nations, and sow the seeds of conflict.---USIS.



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*American Newsfile*

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293 HORNBY ROAD, BOMBAY.

EXTENSIVE SOCIAL SECURITY MEASURES ARE BEFORE CONGRESS

New York, Feb. 12 -- Extensive social security measures providing economic protection and health care for virtually all wage earners within the boundaries of the United States are incorporated in legislation before the present session of the U.S. Congress. Together with such legislation as the bills to attain maximum employment, and to raise minimum wages, the proposed measures are an integral part of the Administration's postwar program.

Referring to the protective provisions of the program, President Truman in his recent message to Congress on the State of the Union urged the enactment of legislation liberalizing unemployment insurance, and declared: "Providing for sustained consumption by the unemployed persons and their families is more than a welfare policy. A sustained high level of consumer purchases is a basic ingredient of a prosperous economy."

This economic philosophy is the basis on which the proposed legislation expands the provisions embodied in the Social Security Act of 1935, one of the means with which President Roosevelt fought the depression of that era. That law introduced a new social concept into America's economic life. It acknowledged the National Government's responsibility for help in the human and social problems of disability and unemployment, and initiated a new trend of thought concerning their effect on the national economy. The Act of 1935, amended in 1939, has since become America's fundamental code of social protection.

Its achievements were reported last summer by the Social Security Board, which administers the National Government's share in the Social Security System. That report showed that in its first decade Social Security had paid nearly 9,000 million dollars to individuals; by August 1945 roughly 4,250,000 men, women and children were receiving cash benefits of 111 million dollars monthly.

Payments were made under five programs which complement each other. Old-age and survivors' insurance, the only one exclusively administered by the Federal Government, had paid 900 million dollars in monthly benefits; by July 1945 it carried on its payroll 1,285,000 persons, consisting of retired workers who had reached the age of 65, and parents, widows and dependent children of deceased workers.

Unemployment insurance, a combined state-Federal system, paid during the past ten years nearly 2,750 million dollars. Weekly benefits range from three to 28 dollars, depending on earning power and local stipulations varying from state to state, for periods up to 26 weeks.

Three other programs of public assistance, all Federal-and-state administered, provided . . .

tered, provided monthly cash payments totalling 5,779 million dollars to needy old people (non-workers), to dependent children under 18, and to the needy blind.

Appraising such accomplishments, President Truman said in his message to Congress, that "during its first decade the system supported the welfare and morale of a large part of the people." But he pointed out that practical experience also has revealed "defects and inadequacies." Such defects are primarily the divergence of 51 systems in states and territories, and the fact that large groups of jobs such as farm work and domestic work, with 12 million to 15 million employees, are not covered at all. Thus, shifts from state to state or from job to job cancelled credits towards insurance in millions of cases, especially during the war.

In an average work week of 1944, for example, 30 million workers were employed in jobs covered, such as factories, shipyards, mines, and banks. However, 14 million more had earned credits through work in such jobs, but meanwhile had shifted to jobs not covered, in which their credits were of no value. Moreover, as President Truman stated, "benefits are in many cases inadequate and provision has not been made for social insurance to cover the cost of medical care and the earnings lost by the sick and the disabled."

#### Single Social Security System

Heeding such findings, the new legislation proposes a single nationwide Social Security System, financed by a single social security tax and combined with an extensive national health program. It would unify unemployment insurance benefits and eliminate inequities emanating from job shifts. It would extend coverage to agricultural and domestic workers and employees of non-profit organizations. Almost the whole working population, except Government employees and railroad workers (who have separate programs of social security) and the self-employed in small business and the professions would become eligible for unemployment compensation.

The benefits would be higher and equal all over the nation: five to 30 dollars weekly, depending on earning power and size of family, to be extended to 52 weeks as soon as sufficient funds have accumulated. The bill also provides benefits for partial unemployment.

Old age and survivors' insurance would be extended to an additional 20 million persons: that is, to the groups newly included in the unemployment compensation, and for the first time also to the self-employed. Minimum benefits per family are to be raised from 85 dollars to 120 dollars a month; the retirement age for women is to be reduced from 65 to 60; and widowers of women workers would receive benefits, if they are over 65 and disabled. Federal grants-in-aid are proposed to enable the states to liberalize their public assistance to the needy blind and to dependent children.

Without precedent in the present system are the benefits in cash designated to compensate for loss of income during sickness and other forms of disability. They correspond to unemployment and the old-age and survivors' compensation, depending on the duration of the disability. Maternity benefits begin six weeks before and end six weeks after confinement.

Besides such protective measures, a considerable part of the new legislation is devoted to the extensive national health program along the lines proposed to Congress by President Truman last November. It includes grants-in-aid to states, counties, and institutions for hospital construction, extensive provisions for a

public health program with improved maternal, child health, and welfare service, prepaid medical care and hospitalization.

In connection with the health program, President Truman said on November 19, 1945, "We should resolve now that the health of this nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the nation."---USIS



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

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February 15, 1946

FIRST NAVAL TEST OF ATOMIC BOMB IS ON MAY 15

Washington, Feb. 14 -- Secretary of the Navy Forrestal told the Senate naval affairs committee today that the first Navy test of the atomic bomb is scheduled for May 15 at Bikini, in the Marshall Islands. The second test will be conducted in the same area July 1.

Forrestal said in his statement: "The assertion is made by some that the discovery of the principle of the atomic bomb is of such terrifying significance that the only way for civilization to save itself is to pass a law which outlaws use of this weapon. Right here it is well to ask: Who passes the law and who will enforce it?

"The answer, of course, in both cases is UNO. I subscribe to the answer and to the hopes which it embraces, but fulfilment of those hopes must remain in the realm of uncertainty until the objectives of UNO begin to be realized in the hard and pragmatic test of action.

"Coupled with these speculations is the assertion by some that the discoveries in the field of nuclear physics makes all naval power obsolescent. Some more extreme speculation goes to the extent of asserting that none of the conventional methods of war can stand up against atomic weapons.

"National security, however, cannot accept these speculations. We must deal with present realities as they exist, disregarding what we have only when it is

U.S. BLUE-BOOK ON ARGENTINA CONFIRMS GUILT OF AXIS PARTNERSHIP

Washington, Feb. 13 -- The New York Times today, commenting editorially on the United States blue-book on Argentina, said it proves beyond any reasonable doubt that Argentina was an Axis partner during the war and has fascist ambitions for the future. The editorial said in part:

In specific and exhaustive detail the United States now lays before the other American republics the information gathered from German and other sources that proves the case against the Farrell-Peron government of Argentina.

The evidence in the blue-book that has been delivered to the representatives of the other republics proves beyond any reasonable doubt that the Castillo-Ramirez and Farrell-Peron governments of Argentina were active partners in the Axis during the war; that they were restrained from actual war only by deficiency of arms; that the Farrell-Peron government has consistently followed the Nazi-fascist line; that it has up to this very moment deliberately violated its inter-American commitments both at home and in its foreign relations; and that it is today attempting to perpetuate in this hemisphere the Nazi-patterned state which its leaders hope can some day again challenge the democracies.

There is an impact to this specific detail that generalities, no matter from whom they came, could not have. The late President Roosevelt, Secretary Hull, Secretary Byrnes, Assistant Secretary of State Braden and many others have made general charges which this indictment proves. The colonels in Buenos Aires still could say that they were misunderstood. They can hardly deny the fact of their Axis ties when captured German documents give places, dates and names. That is what the blue-book does. ---USIS.

EDITOR'S NOTE: A summary of the United States indictment of Argentina on the charge of collaboration with the Axis appears as a Special in today's News-file.

ICKES RESIGNS FROM TRUMAN CABINET

Washington, Feb. 13 -- The White House announced today that President Truman has accepted the resignation of Secretary of Interior Harold L. Ickes as of February 15. Assistant Secretary of Interior Oscar Chapman will serve as acting secretary until a permanent appointment is made, the announcement said. Ickes resigned over the "Pauley incident."

White House press secretary Ross said today, in reply to questions, that so far as he knew the nomination of Pauley as under secretary of the Navy would not be withdrawn today and that Pauley had not asked that it be withdrawn.

At a press conference today Ickes made public his letter to President Truman announcing his resignation from the cabinet because of the "Pauley incident." Ickes made it clear that his decision to resign was based on the statement by President Truman that Ickes might have been mistaken in his testimony before the Senate committee on the nomination of Edwin W. Pauley, California oil man, to be under secretary of the Navy.

In his letter to the President Ickes said: "I followed your press conference on Thursday at which you definitely aligned yourself with Mr. Pauley as against me, thus making my position as member of your cabinet untenable."

Truman Following Liberal Tradition

Ickes said, in reply to questions, that he believed President Truman's administration was following in the liberal tradition of President Roosevelt. Ickes emphasized that his resignation did not mean that he would oppose President Truman. "As a matter of principle," Ickes said, "I think President Truman is trying to give an honest, straightforward administration in the Roosevelt tradition. I think he has been unfortunate in his choice as to certain appointments. He has made some very good appointments, but he has made some very regrettable appointments. But I still think he is trying to give a liberal administration in the Roosevelt tradition."

Backgrounder on Ickes

Ickes is last of the final Roosevelt appointees to leave office. Secretary of Commerce Henry A. Wallace, although appointed to Roosevelt's original cabinet left it to serve as vice president before he was appointed to his present post.

Ickes is an independent who previously supported candidates of the various parties. He supported Franklin D. Roosevelt during Roosevelt's first campaign for Presidency in 1932.

Ickes was appointed Secretary of the Interior by President Roosevelt on March 4, 1933. Under the direction of Ickes the Department of the Interior assumed vast importance during the war through control of the petroleum and coal resources of the U.S. Ickes recently sponsored the Federal Court action to determine jurisdiction of Tideland Oil beyond the three-mile limit off the coast of California. He said he felt it was important for the Government to determine whether such oil resources should belong to the Federal Government or to the state of California.

Backgrounder on Chapman

Oscar L. Chapman, who becomes acting Secretary of the Interior following the resignation of Harold L. Ickes, was sworn in as Assistant Secretary of the Interior in May 1933, only two months after Secretary Ickes took office. Chapman has continuously served in this important capacity throughout Secretary Ickes' record-breaking tenure, which exceeds that of any previous head of the department.

Born in Halifax county, Virginia, in 1897, Chapman attended country schools in Virginia and Randolph-Macon Academy. He was 20 years old when World War One broke out and promptly joined the Navy, serving in the hospital department of the Transport Service, which meant crossing the Atlantic 18 times in three years.

In 1921 he became associated with Judge Ben Lindsey of the juvenile court of Denver and later served for five years as chief probation officer of the court. He also served as President of the Board of Control for the state of Colorado. He attended the University of New Mexico, where his interest in human affairs led him to . . .

him to specialize in the social sciences, and also the University of Denver and Westminister Law School, where he studied law. He was admitted to practice in 1929.

Chapman became an office associate of E.P. Costigan of Colorado and in 1930 successfully managed Costigan's campaign for election to the United States Senate. In 1930 he became Alva B. Adams' manager in his campaign for Senate and piloted him to victory. For ten years Chapman was a member of the National Board of Child Welfare for the American Legion and he served as president of the Council of Religious Education for Colorado and made an industrial survey for the Rocky Mountain Fuel Company.---USIS.

#### U.S. COMMERCE DEPARTMENT WILL PROMOTE RESEARCH

Washington, Feb. 13 -- U.S. Secretary of Commerce Henry A. Wallace announced yesterday the establishment of a Production Research Division of the Commerce Department to look after the advancement of the nation's technological productivity.

The new unit will arrange for development of meritorious inventions as well as proposals from the National Inventors' Council and other agencies and individuals, and is also charged with sponsoring, coordinating and using technical knowledge, patented or unpatented, wherever such use would promote more effective technological production.

The division is authorized, funds permitting, to carry technical development through to the production stage, and arrange for research and development projects to be carried out by colleges, universities and appropriate federal and non-federal agencies.---USIS.

#### TRUMAN NOMINATES MONNETT B. DAVIS CONSUL-GENERAL AT SHANGHAI

Washington, Feb. 14 -- The White House yesterday announced the nomination of Monnett B. Davis, U.S. Minister to Denmark, for reinstatement in the foreign service in order that he may be appointed consul general at Shanghai. The unusual procedure of a U.S. minister resigning to enter foreign service was employed here because Truman felt Davis could give greater service in China. Davis became minister to Denmark in June 1945.---USIS.

HARRIMAN RESIGNS AMBASSADORSHIP TO RUSSIA

Washington, Feb. 14 -- President Truman tonight announced he has accepted the resignation of W. Averell Harriman as ambassador to Russia. The President's letter to Harriman dated today accepting the resignation follows:

"Dear Averell,

"In April last year you submitted to me a letter of resignation. I prevailed upon you to continue in office. At Potsdam you told me of the understanding you had with President Roosevelt that with the end of the war you should be permitted to resign. At my request, however, you agreed to remain for a while longer. The Secretary of State advises me that in Moscow and again in London you insisted to him that, having been away from your business and your home for years, you felt you should be permitted to return home. Only because of your insistence would I agree to accept your resignation and I do so with great reluctance.

"During the war you were called upon to perform many missions of great importance and on every occasion you discharged your duty in a manner that contributed to our victory and reflected credit upon your Government. In accepting your resignation I want you to know that I am satisfied that all thoughtful Americans will share my feeling of gratitude to you for the services you have rendered your country."

Press Secretary Ross told newsmen tonight that Lieutenant General Walter Bedell Smith has been named as Harriman's successor but that legislation enabling Smith to retain his Army rank, "similar to the legislation enacted in the case of General Bradley who now heads the Veterans Administration," will be sought before the nomination is sent to the Senate.

Ace Liaison Man

Industrialist, diplomat, "defense expediter," William Averell Harriman has been ace international liaison man.

In the summer of 1942, when Winston Churchill went to Moscow for a con-

ference with Premier Joseph Stalin, the U.S. representative at the parleys was W. Averell Harriman, a railroad magnate and financier who had become a staunch friend of Soviet Russia in its gallant stand against the Nazi armies.

In March 1941, nine months before the Japanese attacked the United States, he was sent to Britain in an extraordinary capacity to speed the coordination of lend-lease. President Roosevelt, for want of a better title, said Harriman was "Defense Expediter."

He was in a liaison job that called for firm but delicate handling. He had to keep America informed of Britain's needs, and Britain informed of America's ability to deliver. This involved special problems of transportation, purchasing and financing. It was a post that called for expertness in big operations, and Harriman's career had fitted him well for it.

In his liaison duties Harriman attended all the conferences between Britain and the United States and was fully informed of the military situation, so that when he was appointed U.S. ambassador to Russia in October of 1943 he proved especially useful. Liaison with Russia involved the unusual situation in which the head of the state and the active chief of the armies centered in one man --- Stalin. Only a man with the rank of ambassador had regular access to him.

As ambassador to Moscow Harriman regarded the war as his most essential job. He was able to see Stalin whenever the situation warranted -- sometimes two or three times a week, sometimes only once a month depending on circumstances. Toward the end of the war liaison involved daily exchange of operational plans.

Harriman was born to wealth, in 1891. Son of E.H. Harriman, one of the greatest of America's railroad builders, he fell heir to a fortune estimated at 100 million dollars.

Moreover, he was a successful financier and industrialist in his own right: chairman of the board of the Union Pacific Railroad, chairman of the executive committee of the Illinois Central Railroad, partner and director in a number of other enterprises.

At the same time he was studying labor problems and the conditions under which employees of the Union Pacific worked. He ordered corrections of all situations which caused discontent and later said: "I put this human accomplishment as the greatest contribution the Union Pacific has made to the country."

The Roosevelt administration was taking corrective measures for the depression and unemployment. Harriman had been an enthusiastic supporter of Roosevelt (a personal friend) before the 1932 election that brought him to the Presidency. Harriman was called upon frequently to advise on railroad policy and was given a number of special jobs to do, including drafting of legislation for the relief of bankrupt communities.

#### On Business Advisory Council

He was a member of the Business Advisory Council of the U.S. Department of Commerce, later its chairman, and administered the National Recovery Act (N.R.A.) in New York State; from that time until Hitler's attempt to seize world power, he was frequently consulted by the Administration.

Harriman graduated from Yale University in 1913, a dark, lanky, broad-shouldered young man who had been an oarsman on the Yale crew, who spent his summer vacations in the shops and offices of the family's railroads. He worked later as a surveyor, fireman on locomotives, and workman in the shops, and after a year of this, was made vice president in charge of purchases.

When he has time, he relaxes at his Genesee Valley farm in central New York State, where he breeds polo ponies. He once had an eight-goal rating in polo and in 1928 played in the international match between the United States and Argentina.

A quiet, modest man, Harriman once was placed by Madeleine Carroll, film actress and war worker, as one of America's ten most handsome men. In his youth he made many excursions to England, and is widely acquainted there. He has been twice married, with two children by his first marriage. --USIS.

## MOST OF U.S. SURPLUS GOODS WILL BE SOLD IN 1946

Washington, Feb. 14 -- The greater part of millions of dollars worth of surplus Army and Navy goods suitable for peacetime use will be sold by the end of this year, Foreign Liquidation Commissioner Thomas B. McCabe reported. Some estimates have placed the ultimate total of surplus goods overseas as high as 14,000 million dollars but FLC officials believe this figure may be too high by half. More surplus goods are piling up every day, however, with a peak expected this spring.

Up to January 19, FLC figures show that the Army and Navy had declared as surplus materials which originally had cost 1,614 million dollars. Of this amount goods originally worth 750 million dollars have been sold for approximately 357 million dollars, a return of nearly 50 per cent. McCabe warned that the 1,614-million-dollar figure was misleading because it represented original cost, whereas much of the material is now second-hand.

McCabe said he could not say whether lend-lease settlements would be reached with other countries similar to that concluded with Britain, in which surplus property was included in the final disposition. ---USIS.

## CONTRIBUTIONS TO UNRRA

Washington, Feb. 13 -- UNRRA today announced that the pledged contributions of 47 member nations, as of January 31, 1946, totalled 3,621,158,291 dollars, of which 81 per cent has been paid or made available. All member governments whose territory was invaded have paid their administrative contributions in full, the only contribution they are asked to make.

Of the 31 non-invaded countries, 30 have paid or pledged payments on their first contribution. Six of these countries -- Canada, the Dominican Republic, Iceland, New Zealand, the United Kingdom, and the United States -- have also made or pledged their second contributions. ---USIS.

U.S. EXPORT TRADE ANALYSIS SHOWS BRITISH LOAN WILL NOT LEAD TO INFLATION

Washington, Feb. 13 -- Arthur Paul, director of the Office of International Trade, Commerce Department, today said his office is preparing an analysis of United States export trade in connection with the proposed British loan. The data is for the use of the National Advisory Council created by the Bretton Woods Agreements. On the Council are the Secretaries of State and Commerce, and chairmen of the Export-Import Bank and the Federal Reserve Board.

The figures already compiled support the Administration's position that the loan would have no inflationary effect on America's domestic economy, Paul said, adding that a complete analysis will be ready in about 10 days. The study includes information on how the proceeds of the expected line of credit will be used in the United States, the export controls needed, and how these controls relate to scarce commodities.

During 1946 at least two-thirds of United States commodities are expected to be in easy supply and the one-third remaining controlled items in short supply, he said, indicating that surplus commodities are "railroad and communications equipment, power equipment, cotton, tobacco and synthetic fertilizers."

Failure to grant the loan to Britain, Paul said, would mean complete revision of the United States program, and "we would feel the pressure of surplus commodities on our domestic economy much sooner." ---USIS.

PAN-AMERICAN DAY TO BE OBSERVED ON APRIL 15

Washington, Feb. 14 -- The House of Representatives yesterday unanimously approved a resolution to observe the traditional Pan-American Day on April 15. The usual date of this Western Hemisphere holiday is April 14, which this year falls on a Sunday. The House resolution was introduced by Representative Pete Jarman, Democrat of Alabama. Jarman declared: "I think it is just and fitting that we of the Pan-Americas should jointly celebrate the culture and democracy which bind us of the western continents together."

A special committee will be appointed to plan the festivities for Congressional observance of Pan-American Day. ---USIS.

FAR EAST ADVISORY COMMISSION RETURNS FROM JAPAN

Washington, Feb. 13 -- The members of the Far Eastern Advisory Commission today returned from their six-week fact-finding mission to Japan, and announced that they will hold their first meeting on February 20. At that meeting, the Commission was informed, the Soviet Union will be represented by either its delegate, ambassador to Washington Andrei A. Gromyko, or his alternate, minister counsellor Nikolaiv Novikov. Russia was not represented in the mission to Tokyo, although it has a representative there on the Control Council, Lieutenant General K. M. Derevyanko. It is assumed that the group who composed the mission will make a report on their findings, although it is not known whether this will be made public. The Commission today issued the following statement:

During the long return trip to Washington since its departure from Tokyo on February 1, the Far Eastern Commission has had opportunity, in some degree, to assess its mission to Japan, to sort out and organize coherently some of the wealth of information it had acquired there, and to appreciate more fully the international significance of the basic policy questions with respect to the future of Japan upon which the new Far Eastern Commission will soon be at work.

The Commission's purpose in going to Japan was to study conditions on the spot -- in other words, to acquire a direct contact with occupational problems. Of primary concern, of course, was the consultations with the Supreme Commander for the Allied Powers, who is responsible for the execution of Allied policy in Japan.

Now the Commission can say, after due consideration, that it has successfully accomplished its mission. It has witnessed actual conditions, not only in Tokyo and the great commercial cities of Yokohama, Osaka, Kyoto and Kobe, but also in Sendai to the north in the rural areas, and in Kure and Hiroshima. The Commission conferred personally with General MacArthur several times on the broad aspects of the occupation. Furthermore, it spent the greater part of its three weeks in daily conference with General MacArthur's special staff sections.

During its . . .

During its trip to Pearl Harbor and thence via Air Transport Command to Washington, the Commission acquired a keener sense of the scope and the detail of information it has gathered. The subjects range from reparations and economics, industry, labor, natural resources, finance and the Zaibatsu to science, public health and welfare, government and war criminals. It will take additional time to digest these facts and to formulate appropriate policies.

The Commission has been impressed with the statesmanship of the Supreme Commander and his staff.---USIS.

#### UNRRA AID TO FINLAND

Washington, Feb. 14 -- Four hundred and fifty long tons of clothing collected in the United States, sufficient to clothe 170,000 persons, are being loaded on ships at New York as the first shipment in the relief program for Finland, the United Nations Relief and Rehabilitation Administration announced today. Other supplies, including food and medicines, are scheduled for shipment from Philadelphia later this month.

The entire program authorized by the UNRRA central council at a total cost of 2,500,000 dollars may be completed by the end of April. Relief supplies will be sent principally to Finnish Lapland, which suffered severely during the German retreat. In addition to food, medicine and clothing, the shipments will include about one-third million dollars worth of fishing nets and net rings in order that the Finnish people may speedily restore their fishing industry, which is one of the main sources of food supply.---USIS.

#### NEW U.S. MINISTER TO LIBERIA

Washington, Feb. 13 -- The Senate today confirmed the nomination of Raphael O'Hara Lanier as minister to Liberia. Lanier, a well known Negro educator, was former dean of the Hampton Institute.---USIS.

PATTERSON PLEADS FOR UNIVERSAL MILITARY TRAINING

Washington, Feb. 13 -- United States Secretary of War Robert P. Patterson spoke before the National Press Club of Washington today in support of the pending legislation for universal military training. Pointing out that universal military training would not immediately help solve the military occupational problems in Germany and Japan, Secretary Patterson also urged extension of selective service beyond May 15, the expiration date. He said induction is needed to augment volunteer enlistments for permanent peacetime needs.

By June 30 of this year U.S. Army overseas occupational requirements and supporting forces would be 1,500,000 men and a year from then, Secretary Patterson continued, the Army strength would be less than 1,200,000 men. He explained that this reduction was due to greater stability in the occupied countries, rolling up of U.S. bases and discontinuance of minor war theaters.

Patterson said the Army's peak strength stood at 8,300,000 men last May. By next June 7,800,000 men are scheduled for discharge. Yesterday the sixth millionth man was discharged. He said all American military authorities were agreed that a volunteer army was preferable to inducted or drafted men, but declared that in spite of the Army's success in recruiting it had not produced enough men to meet occupational needs.

Secretary Patterson also paid high tribute to the "extraordinary statesmanship" of Gen. MacArthur during the past six months in Japan and said not only had every one of the Supreme Commander's directives been obeyed to the letter, but there had not been a single untoward incident.

Comparing problems of occupation between Germany and Japan, Patterson said the favorable factors in Japan included: A single command for the Allied powers; no zones of occupation; no problem of displaced persons; no large-scale problem of disposition of war criminals; and military control but with no military government. These factors constitute serious problems in the European occupation zones.

In Germany, Patterson said, occupation is now passing from the phase of no civilian government to that of appointive civil officials and later to elective officials. The Secretary of War said much progress has been made in dealing with the problem of the 600,000 displaced persons in Germany and Austria. He stressed the fact that Polish guards now being used in the United States zone, chiefly to guard prisoners of war, are civilians.---USIS.

#### NO IMMEDIATE PROSPECT OF INDUSTRIAL USE OF ATOMIC ENERGY

Washington, Feb. 14 -- The industrial use of atomic energy will be a gradual process and will not produce any profound changes in the economy of the world in the immediate future, A.C. Klein, project engineer at Oak Ridge, Tennessee, one of the principal atom bomb production units, told the Senate atomic energy committee yesterday.

Klein predicted that the first industrial use of nuclear energy will be to generate heat and that heat will be used to make steam. In turn industry will use that steam for all purposes for which it is now employed. In answer to senatorial questioning Klein said: "We won't be able to put a pea of energy under our doorsteps to run everything on the farm until a long time."---USIS.

#### ALLOCATION OF U.S. WHEAT EXPORTS

Washington, Feb. 13 -- Agriculture Department officials announced yesterday that about half the 225 million bushels of wheat which the United States expects to export in the first six months of this year would be allocated to European countries receiving UNRRA aid, and France. It was understood that the rest would be distributed to Belgium, the Netherlands, Norway, the Latin American countries and military occupation zones such as in Germany and Japan.

An UNRRA official said they hoped to buy slightly more than one-third of the United States exports for distribution in Italy, Greece, Yugoslavia, Czechoslovakia, Poland, Albania and Austria.---USIS.

NIMITZ SAYS ATOMIC BOMB WILL NOT SPELL DOOM OF SEA POWER

Philadelphia, Feb. 14 -- Dismissing as "fantastic" the belief that the atomic bomb will force the navies from the seas in the predictable future, Fleet Admiral Nimitz, Chief of Naval Operations, in an address here Tuesday asked for preservation and maintenance of the "sea power we created in the last five years."

Nimitz declared that sea power, "built at such tremendous cost of toil and money is again in danger of neglect. False prophets minimize its importance to the preservation of peace and security."

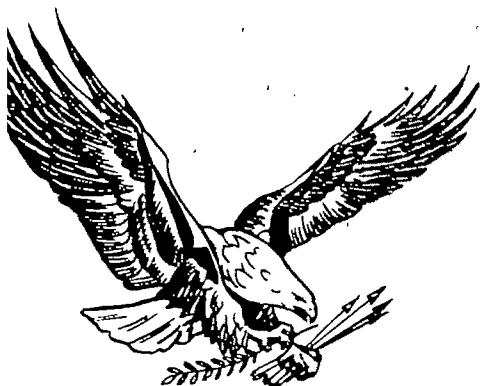
Declaring that "American destiny is inexorably bound to the oceans that surround her," the former Commander-in-Chief of the Pacific Fleet said: "We must intelligently control the seas that surround us, or be engulfed by them. That is a lesson old as civilization. It is a lesson new as the surrender of Japan."

Nimitz suggested that "ships are not profitable targets for atomic bombs of the kind used at Hiroshima and Nagasaki." However, he added, "we are going to find out what the atomic bomb means to navies.

"While prophets of naval doom are shouting themselves hoarse, the Navy will be at work to make the changes needed to accommodate American sea power to the new weapon -- a process that has taken place following the advent of each new weapon throughout the centuries." ---USIS.

EFFECT OF ATOM BOMB TEST ON MARINE LIFE TO BE STUDIED

Washington, Feb. 13 -- The effects of the proposed atomic bomb test at Bikini atoll on the fish and other marine life of the area will be studied by fishery experts assigned by the United States Department of the Interior. The Fish and Wildlife Service has appointed its chief fishery biologist, Elmer Higgins, as liaison officer with the joint Army-Navy group to assist in planning and directing the special study. A number of skilled fishermen will aid in the study. ---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY,

## U.S. GOVERNMENT INDICTS ARGENTINA

Washington, Feb. 13 -- The United States Government yesterday openly charged that the Argentine Government had partially succeeded in its aim of creating "a totalitarian state" in the Western Hemisphere.

In a heavily documented memorandum made public yesterday by the State Department, the United States directly accused the Peron regime of giving "positive aid" to the Axis and of "undermining" the Inter-American System through a "strategy of camouflage."

Copies of the 131-page memorandum were handed to the chiefs of missions of all American republics except Argentina at the Blair House by Under Secretary Dean Acheson and Assistant Secretary Spruille Braden.

The memorandum is being distributed to United States diplomatic representatives in Latin America as a basis for Inter-American consultation. It contained an enormous volume of hitherto undisclosed material to substantiate the charges:

That the Peron regime and the former Castillo government had followed a policy of "positive aid to the enemy;"

That Argentina had "completely breached" the solemn pledges of cooperation with its sister republics;

That the two regimes directed their policies toward "undermining the Inter-American System;"

That the clique now in power in Argentina is working with Nazi collaborators to set up "a totalitarian state" in this hemisphere; and

That by brutal force and "terroristic methods" the present Argentine Government has sought to strike down all opposition from the people and has made "mockery" of its pledges to the United Nations.

The State Department based its memorandum partly on documents found in the confidential files of Nazi officials in Germany. In addition, German and Italian officials who were active in the fields related to Argentina have been thoroughly interrogated.

Summarizing the evidence the United States has established:

One: That . . .

One: That members of the Argentine military government "collaborated with enemy agents for important espionage and other purposes damaging to the war effort of the United Nations."

Two: That Nazi leaders, groups and organizations have combined with Argentine totalitarian groups "to create a Nazi-fascist state."

Three: That members of the military cliques which controlled both the Castillo and Peron governments since 1943 "conspired with the enemy to undermine the governments in the neighboring countries in order to destroy their collaboration with the Allies and in an effort to align them in a pro-Axis bloc."

Four: That both the former and present governments of Argentina "protected the enemy in economic matters in order to preserve Axis industrial and commercial power in Argentina."

Five: That these governments "conspired with the enemy to obtain arms from Germany."

#### Conspired to Form a Pro-Axis Bloc in the Western Hemisphere

The documents showed a vast network of intrigue and espionage which spread not only through Argentina, but also through the neighboring South American republics. Significantly, it was disclosed that Franco Spain was implicated in the German-Argentine scheme to lure South American nations into the Axis orbit.

In May 1942 the Argentine president, Castillo, frankly informed Germany that he believed in and hoped for the victory of the Axis powers and that he had based his policy on such an eventuality. He further expressed his desire to place Argentina on the side of the Axis powers, saying he would rather openly declare his position with the totalitarian states, than sever relations with them.

When the Castillo government made its initial approach to the Nazis, the Allies were suffering military reverses, a situation which prompted a Buenos Aires official to seek openly military aid from the Hitler government, the report stated. At the same time, the head of a Spanish economic delegation, Senor Aunos, then negotiating with the Castillo government in Buenos Aires, was quoted as declaring his firm determination to do everything in his power to enable Argentina to be supported by deliveries of arms from Germany and Spain. This aid specifically included tanks, anti-tank and anti-aircraft guns. The report, however, made no disclosure regarding actual deliveries through Spain.

The Castillo government took steps to form a pro-Axis "bloc" consisting of Bolivia, Brazil, Chile, Paraguay and Uruguay, with central power reposing in Buenos Aires. "These Argentine objectives, of course, fitted perfectly with Nazi ambitions to disrupt American solidarity against the Axis," the report said.

#### Political and Social Collaboration

Likewise, the memorandum detailed Argentina's political and social collaboration with the Nazis, its aid and protection of Axis espionage and intermediaries, its guarding and assisting of the pro-Axis press and manipulation of public opinion, and its protection of Nazi schools and organizations. Following

Nazi-fascist-Falange ...

Nazi-fascist-Falange methods they (the military rulers of Argentina) suppressed individual liberties, liquidated democratic institutions, persecuted their opponents by terroristic methods, created a state propaganda machine for the dissemination of Nazi-fascist ideals; established a corporate labor organization subservient to the Government, and adopted a program of military and naval expansion obviously out of all proportion to the requirements of the country's security, the memorandum stated.

Since the war's end, officials of the Argentine Government have become less outspokenly pro-Axis only to conceal and preserve a nucleus of fascist-totalitarian economic and political positions with sufficient strength to serve as a basis for reversion to the earlier program at some better future opportunity, the memorandum said.

In its concluding statement, the State Department declared that in October 1945, when a consultation concerning the Argentine situation was requested by the United States, it had substantial reason to believe from evidence then at its disposal that the present Argentine Government and many of its high officials were so seriously compromised in their relations with the enemy that trust and confidence could not be reposed in that Government.

Now the Government of the United States possesses a wealth of incontrovertible evidence. This document, based on that evidence, speaks for itself.

The Government of the United States looks forward to receiving from the governments of the other American republics the benefit of their views in the premises. ---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## DEMANDS FOR U.S. GOODS WILL EXCEED SUPPLIES IN 1946

New York, Feb. 15 -- American industry will produce at a very high level during 1946, but no matter how great production may be, accumulated demands will exceed supplies of many materials. That is the authoritative prediction made by U.S. Reconversion Director John W. Snyder in his office's fifth quarterly report transmitted to Congress with President Truman's State of the Union message on January 21.

Snyder said that with the reconversion of the nation's industrial plants virtually completed, the main task facing American industry and agriculture is volume production to offset the growing threat of inflation.

Progress in that task is being made. Production for the civilian market now has reached a rate 20,000 million dollars higher than that of September 1945 but total national production is still 20,000 million dollars below the V-J Day rate.

Laying great stress on food production, Snyder said: "American farmers must continue to produce large quantities of food; not only for our own people, but for millions of people in Europe and Asia."

## Need For Fair Allocation

But he pointed out that some "restrictions on exports are necessary, first, to assure that our country has its fair share of the supply, and second, to assure equitable distribution among foreign countries!"

The urgent need for relief and reconstruction goods and the limitation of dollar earnings in the war devastated nations will make loans and other types of financial assistance to foreign countries an important part of U.S. foreign economic policy during the next few years, a Department of Commerce report stated on the same day.

While these loans will be a major factor in determining the volume of U.S. exports, the report said, in the long run, expansion of U.S. exports will depend primarily on the volume of U.S. purchases of foreign goods and services. The report added that increases in imports will be limited until production and export facilities of war-devastated countries are restored.

The total value of U.S. goods and services supplied to foreign countries in 1945, the report said, was 12,917 million dollars while goods and services supplied to the United States by foreign countries were valued at 8,731 million dollars.

During the first eight months of 1945, U.S. exports declined to 7,320,000 dollars, 25 per cent below the same period in 1944, a Census Bureau report said. U.S. imports for the same period were eight per cent higher than in the first eight months of 1944. Principal reason for the export decline was the decrease of lend-lease shipments.

Expansion of U.S. foreign trade depends on the growth of two-way trade, Arthur Paul, assistant to U.S. Secretary of Commerce Henry A. Wallace, told a recent Washington meeting of the National Industrial Conference Board. To that end, he said the United States would seek reduction and ultimate elimination of all trade barriers by the United Nations Organization.

Important to that two-way trade stressed by Paul will be the activities of the International Bank and Monetary Fund set up at Bretton Woods. The organizations' Boards of Governors will hold their first meeting some time in March, U.S. Secretary of the Treasury Fred M. Vinson has announced. Vinson said the Governors would meet in the United States, to set up the new group.

#### Loans To Bolster World Trade

The United States, meanwhile, is continuing to supply loans to foreign countries in an effort to bolster international trade. On January 17, it was announced that the Export-Import Bank of Washington had approved a 33-million-dollar loan to China to assist in financing the export of raw cotton to that nation. The credit is sufficient to provide for the shipment of from 275,000 to 300,000 bales of cotton. Five days later, Bank President Wayne C. Taylor announced an increase of 780,000 dollars in a 1,200,000-dollar line of credit granted to Ecuador originally in 1942 to help finance a section of the Pan-American Highway.

The United Nations Relief and Rehabilitation Administration continued to account for a large part of U.S. exports. The U.S. Census Bureau announced on January 24 that UNRRA exports from the United States in October, 1945, totalled 37 million dollars. That was ten per cent of the value of all non-lend-lease exports.

UNRRA's 1946 program is extensive. It is shipping over 50,000 tons of seed alone to nine European countries and China, it was announced on January 17. On the same day U. S. Foreign Liquidation Commissioner Thomas B. McCabe announced the sale to UNRRA of the surplus war cargoes of four ships in the Pacific, and two days later UNRRA signed an agreement in Rome with the Italian Government for a comprehensive program to meet the urgent needs of the Italian people for food, agricultural and industrial supplies.

The Department of Agriculture, in a report made public on January 17, said that requirements for meat to be shipped to Europe during the first half of 1946 are greater than actual deliveries to the Department during the same period in 1945. The Department also announced that heavy exports of wheat in recent months and in prospect for the rest of the season promise to reduce sharply the carry-over on July 1, 1946, as compared with last year. It said the carry-over might drop to below 200 million bushels for the first time since 1938.

#### Transport Position Analysed

An important factor in the success of the export program is how well domestic transportation facilities can bear the load. Class I railroads put 38,987 freight cars and 643 locomotives into service in 1945, the Association of American Railroads announced on January 21. That was a decrease of 1,405 cars

and of 295 locomotives from the 1944 installations. At the turn of the year, the railroads had more than 35,000 freight cars on order.

Demands by railroads paralleled demands by virtually every other American industry. The U.S. Chamber of Commerce on January 25 released a report, based on a survey of more than 1,100 cities scattered through every state in the nation, which concluded that lack of materials and equipment is primarily responsible for the current serious housing shortage. Three days before, the Construction Division of the U.S. Department of Commerce declared that increases in production of critical construction materials ranging from 33 per cent for brick to as high as 275 per cent for cast iron material will be needed to meet 1946 construction requirements.

Similar trends have appeared in other fields. The production goal for passenger car tires in the first quarter of 1946 is more than 30 per cent higher than the output of the final 1945 quarter, the Civilian Production Administration announced on January 18. Domestic requirements for paper in 1946 are expected to exceed any former peacetime level by 25 per cent, the Commerce Department said on January 23.

Further indication of the extent of demand came in a Commerce Department announcement on January 24 that retail store sales in the last quarter of 1945 totalled 22,000 million dollars, about one-tenth more than in the corresponding quarter of 1944. In the same vein, a Treasury Department announcement revealed that Government bonds sold during the recent Victory Loan Drive amounted to 21,144 million dollars.

While demand was intense in virtually all fields, supply varied from industry to industry. Paper production in 1945 was greater than in any year except 1941, the Census Bureau announced on January 17. Lumber production, on the other hand, dropped 6.8 per cent during November below the October output. ---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

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February 18, 1946

## BIGGEST U.S. PROBLEM IS "INFLATION PSYCHOLOGY", SAYS BOWLES

Washington, Feb. 16 -- Choster Bowles, who has been named by President Truman to be director of the re-established Office of Economic Stabilization, told a press conference last night that the objective of the organization would be to increase production and prevent inflation.

As head of OES Bowles will have supervision over the President's "hold-the-line" executive order maintaining the pattern of wage increase and permitting a price increase in certain cases.

Bowles said that he considered the biggest problem today was "an inflation psychology." He cited the stock market and real estate prices as evidences of inflation psychology.

"The President has given me a top assignment," Bowles said, "together with his full support in carrying it out. Let us get it unmistakably clear that all-out production is the only answer to inflation. But let us get it equally clear that inflation is not the answer to production. Price adjustment can be used only as a last resort." ---USIS.

PRESIDENT'S WAGE-PRICE POLICY GETS MIXED PRESS RECEPTION

Washington, Feb. 17 -- Editorial comment ranging from laudatory to strong disapproval greeted President Truman's new wage-price formula, as newspapers throughout the country dealt at length with the various aspects of the policy under which Truman hopes to revitalize the industrial plant of the nation.

The New York Herald Tribune, declaring that "production is the answer," said in part: "When the President says it is imperative that production in great volume be accomplished, he is putting his finger on the crux of the problem that confronts the country's economy.

"Let us agree with Mr. Truman that it is necessary for the Government to bend every effort to put our economy back to work, and meanwhile that it is also necessary to assert control over forces of inflation in the interest of all the American people.

"Now it is the purpose of the Government, while limiting wage increases which meet with its approval, to ease the way a bit to a rise in prices. The formula has logic. It has become clearer every day that the one answer to inflation is production, that once the country has achieved again an abundance of goods, the menace will be removed. No doubt, until supply can catch up with demand some measure of control is vital. The essential point is that an acceleration of supply is the primary contribution. It may require a bolder course than that implicit in the President's program."

The New York Times editorial said in part: "President Truman's long deferred executive order on wages and prices and his accompanying statement, constitute an advance over recent policy in two respects. They recognize the intimate relationship between prices and production. They recognize that prices cannot be held down unduly without jeopardizing production, and that production levels are more important than price levels.

"Mr. Truman's executive order and statement also recognize more clearly than before the inextricable relationship between prices and wages. They

recognize that price control cannot be retained without at least some measure of wage control.

"The most discouraging aspect of the President's statement, however, is that while it deals with the grave danger of inflation, it contains not a word recognizing the basic cause of inflation. This is the past increase in the country's supply of money and credit and the prospect for increase of that supply.

"We cannot virtually triple our supply of money and credit, as we have done since the outbreak of the war, maintain excessively low interest rates, continue deficit financing, continue to pour new money and bank credit into the economic system, and then still hope to prevent inflation by sitting on prices. For the real inflation is the increase in money and bank credit. The rise in prices is mainly the consequence of this. But no increase in the production of goods will by itself solve the basic problem as long as the increase of money in the hands of the people is greater still. The problem of inflation, therefore, cannot possibly be solved until there is a return to balanced budgets and cessation of the output of more inflationary money."

#### "Two Blunders Corrected"

The Philadelphia Record declares: "Two blunders corrected, now fire the blunderers," and says, in part: "President Truman has ordered a strategic retreat on the economic front in our war against inflation. The new Truman policy corrects two major blunders. First, it abandons the unworkable theory that wages can be increased substantially without increasing prices. Second, it drops the impractical requirement that an industry wait six months before appealing to OPA for relief from price ceilings too low for profitable operation.

"Significantly, this new wage, price policy also restores one more of the controls so hastily dropped by President Truman right after V-J Day, the ceiling on wages. The haste to drop controls was another instance of bad advice to a trusting President. That is why we urge Mr. Truman to follow up his new wage-price policy with new White House advisers."

The Baltimore Sun calls the policy a "consequence of error" saying in part: "The new wage-price policy is improvisation pure and simple. It has two characteristics which are highly dangerous, one economic and one political.

"Economically, it represents a retreat all along the line so far as prices are concerned. Politically, it plunges the Government more deeply than ever into the dangerous business of attempting to control the conditions of industrial production. In one respect only does the new policy have any justification. If it does break the log-jam, and get things going again, then the one sure counter-inflationary force will begin to bear on the price situation. This one sure way is the way of production -- production in such volume that once again supply will begin to approach demand. In the long run, only production will take the wind out of inflationary sails."

The Washington Post declares in part: "The last vestige of normalcy was thrown overboard when President Truman announced the new wage-price program. What is now provided for is not only a return to comprehensive controls, it is a realistic program.

"All over the country industry is suffering from or is afraid of a squeeze between inflexible prices and the biggest wage advances in history. The new stabilization order should end this danger, for it requires promptness of decision on price increases on the part of the OPA. Delay in making price adjustments is fatal to the ability of industry to function. And this is what the country, what the whole world needs now -- production, and production at capacity."

The Washington Star calls the program "flirting with inflation," saying in part: "In his statement accompanying the new wage-price policy the President glosses over the fact that the fight against inflation has become more difficult as the result of policies adopted by the Truman Administration. The central policy in this flirtation with inflation is the Administration's avowed purpose to force substantial increase in basic wage rates. When the Administration demanded a higher wage level it was also in effect decreeing a higher price level

and the new wage-price order is nothing more than a belated and somewhat reluctant acceptance by the Administration of the inevitable economic consequences of its own acts. The prime essential, as Mr. Truman points out, is to get into full-scale production at the earliest possible moment. ---USIS.

**EDITOR'S NOTE:** Details of President Truman's executive order and the text of the statement accompanying the order will be found as a Special with this Newsfile.

#### U.S. COAL SHIPMENTS ARE AHEAD OF SCHEDULE

Washington, Feb. 16 -- As of February 15 the U.S. State Department's emergency coal shipments to the seven liberated countries of Europe were 3.3 per cent ahead of this month's schedule, which calls for export of 1,387,500 tons.

Allocation of like amount has been made for March, compared with 1,250,000 tons exported in January.

A check of the program today revealed that 175 Liberty ships were in use, with shipments being made from ten Atlantic and Gulf ports and from Long Beach, California.

A State Department spokesman said that coal is moving to Europe more smoothly than at any time since the emergency program was inaugurated last August and that 90 per cent of the Department's commitments to the liberated countries had been reached. ---USIS.

TRUMAN CLARIFIES ICKES-PAULEY DISPUTE

Washington, Feb. 16 -- Answering a volley of questions regarding the Ickes-Pauley dispute, President Truman told a press conference yesterday that he would not withdraw the nomination of Edwin W. Pauley to be Under Secretary of the Navy, and that Pauley, who had been recommended by Navy Secretary Forrestal, was a good man. He said Pauley had made the best possible arrangements on reparations both in Germany and Japan and the same policy would be followed in Italy.

Answering another query he said the policy on Japanese reparation had not been completed.

The President said that Forrestal told him that the late President Roosevelt had intended to recommend Pauley. He suggested that all should wait until the facts are in. He added that he told Ickes, when he was called to testify at the Pauley hearings, to tell the truth and be kind to Pauley. He said that he considered Ickes a good public servant.

As to the next Secretary of the Interior, the President said he wanted a man with the best administrative qualifications, and there was no hurry in selecting one. He said that the Democratic Senator Joseph C. O'Mahoney of Wyoming had been recommended by many Senators.

Asked regarding the news story saying he would not run for presidency in 1948, the President said the first time he had heard about it was a story by the Chicago Sun correspondent, and he had never talked with him. He added that it all was a little previous.

The President said that he had read the State Department blue-book on Argentina from cover to cover, had discussed it with the Secretary and Under Secretary of State, and approved all of it.

Answering a number of questions relating to the wage-price situation, the President said: "There is still a hold-the-line policy and this is not a new

line, but a bulge in the old line. You have heard of bulges in a military line. If we all cooperate, there will be no breakthrough. We must hold to controls, such as we are trying to get in housing, or we will get wild inflation," he added.

The President said the new stabilization director, Chester Bowles, would serve in War Mobilization and Reconversion Director Snyder's office and would report to Snyder. Both have agreed to cooperate with the President and carry out orders, he said.

Asked what price increase has been offered in steel, Truman said that the figure was five dollars a ton on the average and that this would be fully explained when the steel strike was settled. He did not know when a settlement would be effected, but said negotiations were going on.

Concerning former Prime Minister Churchill's recent visit to the White House, the President said they discussed Churchill's forthcoming trip to Missouri only. ---USIS.

#### HARRIMAN PRESENTED MEDAL OF MERIT

Washington, Feb. 16 -- Secretary of State Byrnes, on behalf of President Truman, yesterday presented the Medal of Merit to W. Averell Harriman, retiring U.S. ambassador to Russia.

The medal was awarded to Harriman for exceptionally meritorious conduct and outstanding service as former U.S. minister to Great Britain, special representative of the President in the European theater of operations and as ambassador to Russia.

In making the presentation, Byrnes noted the "invaluable contributions" made by Harriman to wartime shipping as member of the Combined Shipping Adjustment Board and said that Harriman had helped to maintain a "constant and certain flow of supplies" to the war areas. Byrnes added that Harriman had also done much to cement friendly relations with Russia, thereby ensuring an Allied victory. ---USIS.

## PROFILE OF NEW U.S. AMBASSADOR TO RUSSIA

Washington, Feb. 16 -- Lieutenant General Walter Bedell Smith, named this week by President Truman as ambassador to Russia, is at present assigned to the office of the U.S. Army Chief of Staff, General Eisenhower, in Washington.

Previously, since January 1944, he had been General Eisenhower's Chief of Staff in the European War Theater. Smith will succeed W. Averell Harriman, whose resignation was announced by the President this week. The President said he would ask Congress at once for legislation permitting Smith to retain his military rank. Smith's nomination for ambassadorship will be formally submitted to the Senate as soon as such legislation is forthcoming.

In 1943 General Smith was awarded the Distinguished Service Medal for outstanding service as first secretary of the Allied Combined Chiefs of Staff. At the end of the Tunisian campaign he received the Oak Leaf Cluster to the DSM after he had served as Chief of Staff at the Allied headquarters. The Oak Leaf Cluster citation said in part:

"He has been largely responsible for the fine spirit of integration which exists in the Allied forces headquarters and for cooperation among the British, French and United States units that made possible the outstanding success of the combined forces. His contribution to victorious termination of the Tunisian campaign has been a notable one."

Smith entered the Army as a second lieutenant in 1917 at the age of 22. He served in the infantry in France in World War One for a year and a half before returning to duty in the Bureau of Military Intelligence in Washington in 1918. From 1925 to 1929 he was assigned as assistant to the Chief Coordinator, U.S. Bureau of Budget.

Smith was promoted to captain in September 1929 and served for two years in the Philippines. Later he completed an advanced course in the infantry school at Fort Benning, Georgia. Other activities included teaching at Benning and

completion of a two-year course at the General Command and General Staff School at Fort Leavenworth, Kansas, and graduation from the Army War College in Washington.

In 1939 Smith was promoted to major and was appointed assistant secretary of the staff in September 1941 and shortly after was made Brigadier General. By February 1942 he was U.S. secretary of the Allied Combined Chiefs of Staff in Washington, with the additional job of secretary of the joint board.

Nine months later he was in England as Chief of Staff of the European Theater of Operations and subsequently General Eisenhower's Chief of Staff in North Africa.

In England he acquired the sobriquet "Bulldog," said to have been given him by Churchill not only because of his facial features but also because of his known tenacity for fitting and holding administrative details in their proper places.

---USIS..

#### U.S. AGRICULTURE PROGRAMS WILL BE RE-EXAMINED

Washington, Feb. 16 -- Secretary of Agriculture Clinton P. Anderson announced last night that he had ordered immediate re-examination of the department's production, procurement and distribution programs because of the increased seriousness of the food situation in the war-torn countries and shortages in feed grains in the United States.

Anderson stressed the need for careful attention to cereals for both human and animal consumption, fats and oils, livestock and meats, and dairy and poultry products. Appraisals are to cover four main points:

Assuring adequate production of food supplies and of critically short commodities; procurement programs sufficiently aggressive to meet or exceed commitments; stockpile programs to secure year-round balance of seasonal products; and possibility of purchasing necessary foods in other countries for greater efficiency in meeting urgent needs.

The Agriculture Department said Anderson's action also recognized that the present critical condition is likely to continue until the 1947 harvest in the northern hemisphere. The two-week deadline for departmental reports will permit producers to make any necessary revisions in this year's livestock and crop production plans:---USIS.

U.S. MISSION TO OBSERVE GREEK ELECTIONS

Washington, Feb. 16 -- Henry F. Grady, head of the United States mission to observe the elections in Greece, departed for Athens by Army plane yesterday afternoon, the State Department has announced. The Greek elections are scheduled to be held on March 31. Grady, who has the rank of ambassador as the personal representative of President Truman, will be accompanied by James Grafton Rogers, former Assistant Secretary of State, and New York attorney Herman B. Wells, head of the University of Indiana, both of whom hold the rank of minister. Other members of Grady's party include Reginald J. Mitchell, assistant to the special assistant to the Secretary of State, designated press officer, and William O. Baxter of the Division of Near Eastern Affairs of the Department of State.

This was the final plane of the American delegation to leave for Greece. Fourteen other planes bearing delegation personnel previously departed at intervals since January 7. This final group will proceed via Azores, Casablanca and Rome to Naples, where they will join the bulk of the civilian personnel, numbering approximately 90, to pursue an intensive orientation course for a week.

Also taking the course will be approximately 600 officers and enlisted men of the United States Army who will constitute the observation teams representing the United States. Army personnel will be under the direction of Major General Harry J. Malony, bearing the rank of minister on this assignment. Gen. Malony will meet Grady's party along with three other members of the mission with the rank of minister, all of whom proceeded to Italy by earlier planes. They include Walter H. Mallory, editor, "Political Handbook of the World;" Joseph C. Green, adviser to the Secretary of State on arms and munitions control, and William Wesley Waymack, editor, Des Moines Register and Tribune. The entire group will depart for Greece on February 24 and 25 and proceed to staff the various offices which will be established there.

In conjunction with the representatives of the governments of Great Britain and France, jointly participating with the representatives of the United States in observing the elections, a central headquarters will be established in Athens, with district headquarters to be established at Athens, Heraklion (Crete), Tripolis, Patras and Salonika, with sub-district headquarters to be established at Larisa, Kavulla and either Preveta or Janina. Grady and General Malony will make their headquarters in Athens while the five civilian ministers will establish offices respectively at the five district headquarters.

Press headquarters will be established at Athens headed by press officers of the American, British and French delegations. The press officer of the American delegation, in cooperation with responsible officers of the United States Army, will assist representatives of the American press in connection with billets, communications and transportation.

Meanwhile, at a press conference just before his departure Grady explained that during the indoctrination period, starting February 18, lectures will be given on the culture and history of Greece, United States relations with that country and similar subjects. He said that the group which will then sail to the five group headquarters in two Liberty ships will consist of approximately 700 Americans, 700 British and 200 French. The United States and Britain will each have 100 teams, Grady declared, and each team will comprise an officer, an enlisted man, and a Greek interpreter who has been carefully screened. Military personnel will not bear arms and each team will have a jeep at its disposal.

Grady explained that although the teams will be individual, the operation will be a combined one and chairmanship of the general headquarters in Athens will be rotated. The greatest difficulty is expected in the many remote villages located in the mountains and linked by poor roads. "We do not underestimate the difficulties of our job," Grady continued, "but we three friendly governments

were asked by Greece to help them straighten out their difficulties."

He added: "We don't care about the results of the elections, but we hope they will represent the wishes of the people. We are not telling the Greek Government what to do, but we feel that this is a most important operation. I can conceive of this becoming a common practice among governments, especially with the growing importance of the United Nations."---USIS.

PHILIP O.CHALMERS' DEATH A "SHOCKING LOSS"

Washington, Feb. 16 -- Secretary of State Byrnes yesterday described as "a shocking loss" the death of Philip O.Chalmers, chief of the Division of Brazilian Affairs of the State Department, in Rio de Janeiro yesterday morning. Chalmers was stricken with pneumonia in the Brazilian capital where he went as a member of the United States delegation to attend the inauguration of the new Brazilian president, General Enrico Gaspar Dutra. Byrnes' statement said in part:

"His contribution to the cause of Brazilian-United States relations has been outstanding and his counsel will be sorely missed. His death will be keenly felt by his colleagues in the Department and his many friends in the United States and Brazil."

Chalmers who had been with the State Department since November 1941, was chief of the Division of Brazilian Affairs for the past year after serving as assistant division chief since May 1944 and acting chief since July of the same year.

Chalmers, 46, was graduated from Harvard in 1923 and later the same year studied at the Sorbonne in Paris. He served in the Navy during the first world war. He received his doctor of law degree from George Washington University here in 1944 and was admitted to practice in the district courts and the United States court of appeals in the District of Columbia. Before entering State Department service, he was in Japan, Portugal and Brazil as <sup>a</sup>/representative of several large firms. He is survived by his wife.---USIS.

BYRNES REITERATES U.S. OPPOSITION TO BLOCS AND SPHERES OF INFLUENCE

Washington, Feb. 16 -- Secretary of State Byrnes told a news conference yesterday that he and Bernard Baruch, presidential adviser, had been invited to Miami to talk with former British prime minister Winston Churchill. Byrnes said that if his duties permit he will fly to Miami with Baruch.

Newsmen then referred to published speculation that Churchill, in his foreign policy address scheduled for March 5, will advocate a strong Anglo-American military alliance and development of a western bloc to balance Russian power.

Byrnes said he had no information on Churchill's speech and that he would not comment on it if he did. However, Byrnes added that United States policy on the so-called blocs and spheres of influence was outlined by him in the speech made before the New York Herald Tribune forum in November. He said he thought the forum statement covered the subject thoroughly.

The forum speech outlined the Good Neighbor policy of the Inter-American System. At that time Byrnes emphasized that the Moscow declaration of 1943 was a landmark of American efforts to create a world community of nations and to abandon the discredited system of international relations based upon exclusive spheres of influence.

Asked whether he would talk with Churchill on the projected British loan, Byrnes said he was accepting the invitation because of his great admiration for Churchill and he did not know of any agenda for the meeting. The Secretary pointed out that he was out of the city when Churchill came to Washington Monday.

Argentine Situation

When newsmen brought up the question of the State Department blue-book on Argentina, Byrnes emphasized that the publication was issued not by ex-ambassador Braden, as some reports allege, but by the United States Government with the full knowledge and approval of the Secretary of State and the President, to whom it was submitted. . . .

was submitted.

Asked whether any common course of action might ensue as a result of the blue-book, Byrnes said he would not predict any action. As to Argentine Colonel Juan Peron's charges that Argentina had expelled United States General John Lang for espionage, the Secretary said he would not comment on any statement by a candidate for office in another country. He pointed out, however, that there is nothing in the record of the State Department to show that any such charge was filed by any government against General Lang.

Byrnes also dismissed in the same way other charges alleged by Colonel Peron against Spruille Braden.

Asked about the report that the Argentine case will be taken before UNO's Security Council, Byrnes replied he had no information on that subject. He added that the United States would not take any such action without full consultation with the other American republics.

Asked whether the United States had any information to indicate that preparations are underway in Iran by either the British or Russians to withdraw their forces by March 2, Byrnes said he had no information as to what, if anything, has been done toward actual removal. The Secretary likewise had no information on the news report that Soviet Russia was stripping Manchuria of industrial equipment, and that the United States had made representations to both China and Russia.

#### Russia And Trade Talks

Asked if Russia had answered the United States invitation to attend the preliminary trade conference this summer, the Secretary said it had not, but that other members of the Big Five had accepted. He explained that the conference will take place as scheduled, even though Russia does not participate.

In response to another question, Byrnes said he had heard nothing further from the French Government since the United States expressed willingness to discuss

the Spanish

the Spanish situation with France and Britain. Byrnes said that while he was in London French Foreign Minister Georges Bidault expressed a desire to confer on the subject. He added that arrangements had been made for the two to meet with British Foreign Secretary Bevin. But Bidault was suddenly recalled to Paris because of the resignation of General de Gaulle.

Asked about the Dodecanese Islands, Byrnes said there was no change in the United States proposal that the islands be ceded to Greece, although the matter, along with other subjects, is under discussion in the Council of Foreign Ministers.  
---USIS.

#### RADIO-CONTROLLED PLANES WILL BE USED IN ATOMIC TESTS

Washington, Feb. 17 -- The resources of the Army Air Forces and the Navy's aviation will be dovetailed in air operations of "Crossroads," the joint Army-Navy atomic bomb tests project to be held in the Pacific this summer, Vice Admiral W.H.P. Blandy, commander of the operation, announced Friday.

Pilotless, radio-controlled aircraft, known as drones, will be directed at varying altitudes into atomic blasts by both the Army Air Forces and the Navy. Employing "control" planes in operation, the Navy will catapult "drones" from the decks of the carrier Shangri-la, while the Army will operate B-17 drones from Eniwetok Island.

Blandy said the use of drones was expected to uncover the facts of radioactive phenomena as well as data on blast effects on aircraft.

Army Air Force transport planes will move freight and personnel from the United States to the base at Kwajalein in preparation for the tests. Tying into this operation will be a squadron of Navy seaplanes which will operate between Kwajalein and Bikini Atoll, the test location. Army B-29s will operate over the target area to record scientific information with cameras, and Navy helicopters will be used for scientific research communication liaison between vessels and photographic missions. ---USIS.

U.S. PRESS REVIEW OF FIRST SESSION OF UNO

Washington, Feb. 16 -- Several prominent United States newspapers have commented favorably on the first session of the United Nations Organization Assembly, which has just closed. The New York Times said that although "there will be some who will be disappointed by the results" and "already there are voices demanding a stronger world government," the first session "has demonstrated that UNO is a living, functioning body which has already established itself as a principal international authority, a focal point of world politics, and a forum for the conscience of the world." The Times editorial continued in part:

"Fortunately, unlike the League of Nations at its start, UNO was not confronted with the problem of taking immediate action on open aggression. But inasmuch as preservation of peace, by force if necessary, is the principal reason for its existence, UNO is already preparing to meet this necessity and the first steps toward the creation of an international police force, to be furnished by its members, have been initiated by the Military Staff Committee.

"UNO has already faced the tests to which anxious statesmen feared to subject it at this early date, but which it passed successfully. From these tests it has emerged with increased authority and with its conscience intact. In meeting its tests UNO demonstrated that the specter of big power domination which has haunted its smaller members has been eliminated, and it showed that smaller nations can make themselves heard not only in the Assembly and its commissions, but also in the Security Council, and that any small nation can haul even the biggest power before the Council and demand justice.

"UNO has proved that nations of both spheres (east and west) can work together as long as they submit to the democratic rule of the majority. Wherever a big power refused to bow to the majority rule, as in the cases of Iran and Greece, the results were less satisfactory, though an overwhelming majority vote decided the case of Indonesia and shows future possibilities.

"Perhaps the two most outstanding accomplishments of the first session

are the creation of a new International Court of Justice and the agreement on the study of the methods for control of atomic energy. By establishing a permanent tribunal for the judicial settlement of international disputes, and by taking the first steps toward lifting from man's minds the dread of mass destruction, UNO has already proved its worth."

The Baltimore Sun editorially said in part: "The distorted notion of UNO is bound to be the result of too much attention to controversies and too little attention to the solution of them. It cannot be said too often that controversy is the bread and butter of UNO. UNO is not a mutual admiration society. It is an organization established because nations fall into disagreement, and because nations cannot now afford, or delude themselves into believing that they can afford, to settle their disagreements by war. UNO is established for the purpose of dealing with such disagreements.

"In the circumstances, we must expect that a large part of its work will be to give expression to hostilities, suspicions, and misunderstandings and if possible to eliminate them. It is still now at this difficult business. Nations still lack the confidence that the method will work. But each time a dispute is faced and dealt with something is gained in experience, method and public confidence in international dealing, as in so many other areas of living. Wisdom is the child of trouble."

#### Grim Tug-of-War

The New York Herald Tribune editorial today said in part: "When the first session of the United Nations Assembly convened in London there was something awe-inspiring and also something intimidating in the great white glare of publicity that beat down upon the delegates. Under the circumstances it is not surprising that there was confusion. The Assembly was counselled to move rapidly, to move deliberately, to take action, to abstain. Yet surprisingly the Assembly went forward. It organized itself and set up a commission to deal with the crucial problem of atomic energy. It launched the Security Council.

Highly controversial questions were considered, and, in one fashion or another, disposed of.

"The world is engaged in the grim tug-of-war between organization and dissolution. Every impulse in civilized man calls for an acceleration of centripetal forces. Yet those which would tear the world apart persist. Gains and losses in the race cannot be measured by considering either of these opposing drives, but by observing the compromise movement which represents both. In the painful inches of mankind's crabwise progression the Assembly of the United Nations, to its honor and theirs, has won some valuable ground."

A Washington Evening Star editorial today said in part:

"The first session of the General Assembly of UNO has terminated. Broadly speaking, the net balance would seem to be in the black, though the amount is not a notable one. The Assembly's president, Paul Henri Spaak of Belgium, made a fair characterization when he told the delegates: 'Those who thought that we would perform miracles are disappointed, but those who understand the economic and political problems left by the war will be satisfied.'

"The chief gains of the session were registered in the organization field. This is distinctly gratifying because the main purpose of this initial meeting was to create the operating machinery for UNO and set it functioning. The Security Council has functioned vigorously, handling an unexpectedly full dose of highly contentious cases in a manner which perfectionists may criticize, yet which has avoided explosions that might have wrecked the entire UNO at its very inception.

"In the long run perhaps the most significant accomplishments have been the setting up of those auxiliary organizations of UNO provided for in the charter. These are the International Court of Justice, the Economic and Social Council and the Military Staff and Atomic Energy Committees, which, though functioning under the Security Council rather than the Assembly, can evolve into vital branches of the general setup." ---USIS.

BRADEN EXPLAINS U.S. POLICY IN WESTERN HEMISPHERE

New York, Feb. 16 -- World statesmanship faces a great moral responsibility in the light of the war's new discoveries, Assistant Secretary of State Spruille Braden declared, addressing a luncheon in the Waldorf Astoria Hotel of the Celestials, an organization devoted to rehabilitation of war veterans. Braden gave a broad outline of United States foreign policy, but dealt chiefly with relations between the American republics.

The experience of the American republics, he said, is an object lesson in what can be achieved where there is a sound moral criterion, a constant purpose and a consistent refusal to be disheartened by difficulties. After describing what the American republics are doing to develop a system of peaceful co-operation, Braden turned to United States foreign policy in these words:

"It goes without saying that the first duty of our Government, and consequently its most fundamental policy, must be to protect and promote the interests of the United States, of the people who make up the United States. There is nothing cynical or sinister about this practical policy. For one thing, we know now, if we never knew it before, that our national welfare, far from being in conflict with the welfare of the other nations must be coordinated with it. It is not as if there were just so much welfare to be had in the world, so that the more we enjoy the less there is left for others. On the contrary we shall prosper, in the long run, only as the world prospers."

Braden explained further: "Our policy of self-interest, if it is, in a sense, selfish must also be altruistic and our interests always legitimate. It must be a policy, if you will permit me to say so, of altruism as well as legitimate self-interest." The Assistant Secretary said that honesty is another basis of United States policy and added: "Unless we are consistently honest we will not be trusted in the world, and we will have little influence where we are not trusted."

Braden reviewed the political and social principles upon which the United

States was founded, including the Declaration of Independence, the United States constitution and the Bill of Rights. Then he said: "The day has passed when we can remain unconcerned at slavery and tyranny outside our border. The affairs of nations have become so mutually interrelated in good times and so entangled and embroiled in bad times that we must increasingly regard the international community as a whole."

Braden declared that the United States has no wish to interfere in the internal affairs of other nations. But he pointed out: "As a matter of self-preservation and the survival of the principles for which we stand, while we do not undertake to impose our system of government on others, we must necessarily feel a greater and more active friendship for those governments that rest on the freely and periodically expressed views of the citizens than for the governments that depend for their existence on a denial of such popular expression."

Turning to the Monroe Doctrine, Braden said: "While it continues to represent the unilateral policy of the United States, it is in complete harmony with the joint multilateral policy adopted by the American republics and expressed in the Inter-American System." He added: "This hemisphere need no longer fear any attempt from overseas at territorial conquest or colonization. But we must remain fully alert to prevent the infiltration of any foreign system or theory of government."

Braden continued: "The United States recognizes that the preponderance of its power in the Inter-American community of nations imposes on it a special responsibility to exercise the most scrupulous restraint, to lean over backward so to speak-- in honoring its policy and obligation with respect to non-intervention."

Summing up the Inter-American System, Braden concluded: "It is a system that does not in the least threaten legitimate national interests anywhere else in the world. On the contrary, to the extent that it is successful, it provides

an area of order and progress of freedom under law that contributes effectively to international stability and the realization throughout the world of those ultimate objectives proclaimed by all the great religions of mankind."---USIS.

SPECIAL FOREIGN SERVICE EXAMINATIONS SCHEDULED FOR U.S. ARMED FORCES

Washington, Feb. 16 -- The State Department has scheduled special written foreign service examinations for qualified members of the U.S. armed forces and honorably discharged veterans to be held on September 30 and October 1, 1946. The examinations will be held overseas wherever necessary. Applicants must have been born between July 1, 1915 and July 1, 1925. They must have been U.S. citizens for at least 15 years and have a bachelor's degree from a recognized college or university. The applicant also must be fluent in French, German or Spanish. President Truman said he was pleased with the plan, which has "my full approval."

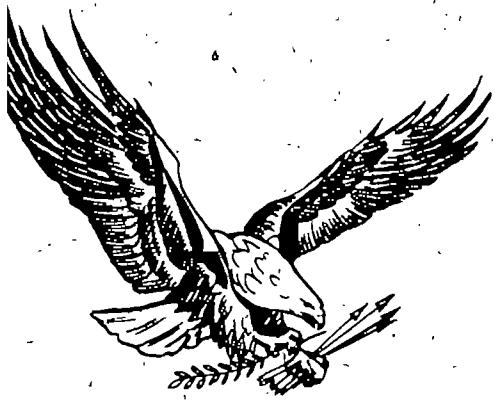
---USIS.

INTER-AMERICAN TECHNICAL ECONOMIC CONFERENCE MAY BE POSTPONED

Washington, Feb. 16 -- Indefinite postponement of the Inter-American technical Economic Conference scheduled to meet in Washington in April 1946 was recommended to the Pan-American Union governing board yesterday by its economic and social council. The governing board will hold a special meeting next Wednesday, the 20th, to consider the recommendation. A resolution on postwar problems adopted at the third meeting of the ministers of foreign affairs of the American republics had requested the Pan-American Union to convene the Technical Economic Conference to study current economic questions affecting the American republics.---USIS.

U.S. ARMY LOWERS INDUCTION STANDARDS

Washington, Feb. 16 -- The Army reported that it has lowered physical standards for induction and had asked the Selective Service to deliver in April besides the regular call of 50,000 men an additional 75,000 men to meet shortages accumulated since V-J Day. By lowering physical standards, the Army hopes to get the 250,000 inductees needed in the first five months of this year in addition to enlistments to replace discharged personnel.---USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## TRUMAN TAKES MEASURES FOR ECONOMIC STABILIZATION

Washington, Feb. 15 — The White House last night issued an executive order by President Truman "providing for the continued stabilization of the national economy during the transition from war to peace." At the same time, the President announced re-establishment of the Office of Economic Stabilization to carry out the new wage and price policy provided for in the executive order.

Truman named Chester Bowles, present head of the Office of Price Administration, to direct OES, and appointed Paul A. Porter, now chairman of the Federal Communications Commission, as new Price Administrator. Charles E. Denny, Jr., was designated as acting chairman of the FCC.

The executive order provides that a national wage stabilization board or any other wage or salary stabilization agency, "shall approve any wage or salary increase which it finds is consistent with the general pattern of wage or salary adjustments which has been established in the industry, or local labor market area between August 18, 1945, and the effective date of this order."

The executive order also provides that the Price Administrator "shall promptly provide for the adjustment of price ceilings in any case in which he finds that an industry is in a position of hardship as a consequence of an approved increase in wages or salaries. An industry shall be considered to be in hardship if, after taking the entire amount of such wage or salary increase into consideration, the Administrator finds that the industry's current ceiling prices will leave it in an overall loss or in an earning position requiring adjustment."

The order empowers the Stabilization Administrator to "specify the classes of wage or salary increases which will, in his judgement, have no destabilizing consequences and which may be deemed necessary within the meaning of this order without prior consideration by the wage or salary stabilization agencies."

The President's order reiterated that "it is the policy of the Government, in order so far as possible to prevent price increases, that there be prompt and firm enforcement during the present emergency of Government controls over scarce materials and facilities."

In giving the stabilization administrator full authority to issue such orders and directives as may be necessary to carry out the purposes of the order, the President said: "The new wage and price policy will place great demands on both the Office of Economic Stabilization and Office of Price Administration."

### Need For Swift Reconversion

In an explanatory statement accompanying his stabilization order, President Truman said:

In my message to Congress on the State of the Union I said: "Everyone who realizes the extreme need for a swift and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these strikes could put a heavy brake on our program."

These work stoppages have continued and some of them are serious enough to threaten our economy with almost complete paralysis.

They are accompanied by inflationary pressures that also threaten the stability of our economy.

At such a time, it is necessary for the Government to bend every effort to put our economy back to work, to assert control over the forces of inflation in the interest of all the American people and to remove any doubt that the Government means to enforce its program. I call upon management, labor, farmers -- the American people as a whole -- and their representatives in Congress to give this effort their unqualified support.

Let me review some of the recent developments. Last August I announced a wage-price policy under which the determination of wages was returned to free collective bargaining within the framework of the present price level. Labor and management were set free to adjust wage rates to whatever extent was possible without raising prices. I urged industry to negotiate wage adjustments in order to cushion the reduction in the take-home pay of millions of American workers resulting from the loss of overtime, downgrading, and other factors. I emphasized that wage adjustments would have to vary from industry to industry, or firm to firm, according to the merits of each situation.

### Breakdown In Collective Bargaining

I had confidently hoped that, as a result of free and sincere collective bargaining, our reconversion program would proceed vigorously and in an orderly fashion and, indeed, under this policy many thousands of wage adjustments have been made by mutual agreement without affecting prices. Nonetheless, collective bargaining has broken down in many important situations. Several major strikes are in progress. Vitally needed production is lagging.

It is imperative that production in great volume be accomplished. We face real difficulties. Many workers have found their weekly pay greatly reduced. Many companies, squeezed between costs and prices, are not in a position to wait through a six-month period, as heretofore required, before seeking price adjustments. This is especially true in some instances where there is a complete change from war production to civilian production. It is likewise true in the case of small companies which lack the ample reserves of many large corporations. Many small businesses were at a disadvantage during the war. They must not be so in peace.

I am now modifying our wage-price policy to permit wage increases within certain limits and to permit any industry placed in a hardship position by an approved increase to seek price adjustments without waiting until the end of a

six-month . . .

six-month test period, as previously required.

If the general level of prices is to remain stable in the next few critical months, the immediate price relief in such cases must be conservatively appraised. It must, however, be sufficient to assure profitable operation in the test period to an industry not producing at low volume. If the expected improvement in earnings should fail to materialize in any industry, OPA will move promptly to review its action. Appropriate relief in line with the modified policy may be accorded, where practicable, to individual firms.

#### Basis for Wage Increases

I am authorizing the National Wage Stabilization Board to approve any wage or salary increase, or part thereof, which is found to be consistent with the general pattern of wage or salary adjustments established in the industry or local labor market area since August 18, 1945. Where there is no such general pattern, provision is made for the approval of increases found necessary to eliminate gross inequities as between related industries, plants, or job classifications, or to correct substandards of living, or to correct disparities between the increase in wage or salary rates since January 1941 and the increase in the cost of living between that date and September 1945.

This wage program, therefore, takes into account the thousands of wage agreements reached before and after V-J Day. While many groups of wage and salary earners may qualify for increases under this policy in order to bring their pay into line with the increased cost of living or with the existing wage levels of the industry or area, the program is not to be interpreted as permitting indiscriminate wage increases. The executive order provides that the Stabilization Administrator shall determine those classes of cases in which a wage increase may be put into effect without requiring prior Wage Stabilization Board approval and without any waiver of any rights to ask for price relief. These cases will include all those in which the increase will clearly not have an unstabilizing effect. It is contemplated that many of those increases coming within the present pattern of wage increases will not have individual approval. I hope that free collective bargaining will be used to the fullest possible extent.

#### Price Line Must Be Held

Increases outside and beyond this general policy cannot be approved without subjecting the workers and the public to the danger of inflation. It is to the best advantage of the American worker, above all other groups, that the price line be held.

The change now being made in our wage and pricing standards can succeed only with the support of business, labor, Congress, all the agencies of the Administration and the rank and file of the American people.

I am directing that all administrative agencies use their full legal powers, including emergency powers delegated to them under the Second War Powers Act, to assist the Office of Price Administration in meeting the Government's responsibility for returning control over the forces of inflation.

Priorities and allocations powers will be used vigorously where necessary to prevent increases in prices. There will be a strict enforcement of inventory controls. The resources of the Treasury and Justice Departments will be called upon when . . .

upon when necessary to assist in enforcing these controls. I trust that the Congress will:

One -- Extend the stabilization ~~statutes~~ without amendment and will do so with all possible speed so that there may be no question in anyone's mind concerning the determination of the Congress to see the fight against inflation through to the finish.

Two -- Extend the subsidy program for another full year.

Three -- Enact promptly the Patman bill to establish price controls over housing. The present speculation in the real estate market is one of the most dangerous aspects of the present situation and one which works particular hardship on our millions of returning veterans and their families.

Four -- Extend promptly the Second War Powers Act, so that the emergency powers we found necessary during the war may continue to be exercised whenever necessary in dealing with the economic aftermath of ~~the~~ war.

Only by measures such as these can we hope to retain our controls as a people over our own economic future. But even these measures will fail us unless the American people dedicate themselves to support the national economic stabilization program.

I welcome this because I am determined that this country shall avoid the misery and disaster of inflation and that our vast resources of purchasing power shall be a stepping stone to a fuller, richer life rather than be permitted to spend themselves in a brief orgy of inflation and disaster.

I call upon both management and labor to proceed with production. Production is our salvation. Production is the basis of high wages and profits and high standards of living for us all. Production will do away with the necessity for Government control.

I call upon the American people to close ranks in the face of a common enemy -- the enemy which after the last war turned our military victory into economic defeat. I call upon every citizen of this great nation to join in a united effort to consolidate our military victories this time by winning through to final victory over inflation.---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

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February 20, 1946

## BYRNES DENIES LEAKAGE OF ATOMIC BOMB INFORMATION

Washington, Feb. 19 -- Secretary of State Byrnes told a press conference today that so far as he knew the know-how of atomic bomb manufacture is exclusively in the hands of the United States Government. He said that he had been advised of the intention of the Canadian Government to make certain arrests of persons charged with violation of Canadian law in connection with leakage of secret information. He added that it was purely a matter for the Canadian Government, and so far as he knew no Americans were involved in the Canadian investigations.

If such an investigation of alleged spy activities were contemplated in the United States, he continued, the press could be sure that it could never be kept quiet here as long as it was in Canada. Byrnes said that he had never made any recommendations against the arrest of alleged spies in the United States and that at no time had there been any differences of opinion in this regard

between the Department of Justice and the Department of State. He would be "terribly surprised," if there were any truth in the report that a Russian agent left the United States with a suitcase full of atomic bomb information, he added.

Replying to another question, Byrnes said: "It is impossible to determine at this time when civil administration will be instituted in the United States occupation zone in Germany." General Clay had reported that if a central administration could be established it would be possible to replace army administration with civil administration in two or three months. Byrnes said he told General Eisenhower that it would be utterly impossible for the State Department to recruit men within a few months for taking over the civil administration.

Asked concerning the progress of removal of Germans from Czechoslovakia, Hungary, Austria and Poland, Byrnes said that the Allied Control Council had started this movement in December 1945 and that it was scheduled to be completed by July 1946, varying percentages being moved each month.

He said that the United States had neither opposed nor gone into the French proposal for separation of the Rhineland and Ruhr from Germany.

There would be no change of the United States policy toward Argentina as a result of the recent blue-book charges, he said, adding that the matter of Argentina was one for consultation with other American republics, some of which had already communicated replies to the United States. He said that the publication of the blue-book did not violate the policy of non-intervention. He added that the United States was still sending tires and machinery to Argentina in return for wheat with which to feed the starving thousands in Europe.

Asked whether a similar blue-book involving Spain in Nazi collaboration would be published, Byrnes said that a large amount of material concerning collaboration with Germany is now being collected jointly with Britain and that some of it bears on Spain and will be made public. He added: "This material, consisting of documents captured in Germany, is still in Europe and it has not been settled where the material would be issued." ---USIS.

BRITISH LOAN NECESSARY TO SECURE A MULTILATERAL TRADING SYSTEM

St. Louis, Feb. 19 -- Under Secretary of State Dean Acheson, speaking tonight before the League of Women Voters, emphasized that the proposed United States loan to Britain is necessary "so that both of us and other nations may prosper in an expanding world economy." Acheson said in part:

Britain and the United States provide the currency which, after the war just concluded and the elimination of Germany and Japan from prominence in international commerce, will be the currency with which two-thirds or three-quarters of the trade of the world is conducted. Great Britain and the British Empire, the United States and Canada between them conduct one half of all the world's trade. British trade, Canadian trade and American trade affect every single corner of the earth, affect France and all of Europe, affect Indonesia, China and Japan. Every part of the world is activated by British and American trade.

Now, what is the position of Great Britain in terms of world trade? For decades and decades the British will have to export goods for which they will get no pay. Those goods will have to be exported to pay off the sterling debt. That is the burden the war has brought upon Britain. It is our hope and the hope of the British that some of their creditors will agree to scale down part of that debt as part of their war contribution. But there will certainly remain a very substantial amount which Britain will have to work off through exports. And that means that, unless drastic steps are taken to secure an interchangeability of currency, the British must work for their individual creditors, and their individual creditors, if they are to realize upon their debt, must accept British goods and services only.

That problem, if not dealt with in some way, would bring about a channeling of economic activity which could only result in the division of the world into closed economic blocs. Fortunately those who were charged with the responsibility of negotiating with the British recognized the alternatives which faced us. . .

After many calculations, and taking into account the loans yet in the offing from Canada and from other countries to whom Britain might look for credits, it was determined that 3,750 million dollars would be the essential minimum. Quite apart from repayment of the credit with interest, the British have agreed to do a number of other things which are essential to the prosperity of the United States and to the kind of international trade which we as a nation seek.

Without the credit which we have agreed to extend the British, it would be wholly impossible for them to undertake the commitments included in the financial agreement, and quite beyond their capacity in the next few years to support our proposals for securing a multilateral trading system. What we have done is to arrive at an understanding with a nation, whose position in world commerce is unique, to move forward toward the removal of the controls and restrictions which hamper and reduce international trade, so that both of us and other nations may prosper in an expanding world economy.---USIS.

#### ATOMIC BOMB TEST TO BE EVALUATED BY CIVILIAN BOARD

Washington, Feb. 19 -- Presidential press secretary Charles Ross said at a press conference today that the President is going to appoint, with the unanimous approval of his cabinet, a civilian board of five or six members to evaluate the atomic bomb tests scheduled for May in the Pacific ocean. Ross pointed out that the civilian board will function ~~independently of~~ the Army, Navy and Air Force experts who will make their own appraisals of the tests.

He said that the civilian board had not yet been selected and he could not say whether it will be made up of technicians, but pointed out that it will be a "sort of supreme court in passing on the results of the tests." Ross added that there might be reports by both the board as a whole and by the individual members.

Regarding the cabinet post of the Interior Secretary, Ross said that the President had not yet made up his mind as to a successor to Ickes.---USIS.

DEVELOPMENT OF ST. LAWRENCE BASIN URGED

Washington, Feb. 19 -- Under Secretary of State Dean Acheson testified yesterday before a subcommittee of the Senate foreign relations committee and gave vigorous support to the legislation for the development of the Great Lakes St. Lawrence Basin. The proposed seaway would open a 2,700-mile waterway for ocean going ships from Duluth, Minnesota, to the Atlantic ocean.

Stating that the proposed seaway is not a new project, but a logical sequel to the United States construction of the MacArthur locks at Sault Ste Marie and the Canadian construction of the Welland Canal, which connects lakes Ontario and Erie, Acheson said the construction in the international rapids section of a hydro-electric power works would be capable of converting St. Lawrence into one of the greatest sources of cheap power in the world. The single power dam to be built would have a generating capacity of 2,200,000 h.p. and would be available to the United States and Canada on a 50-50 basis.

Acheson estimated the cost to the United States, based on 1941 figures, would be 285 million dollars, of which one-third would be paid by the state of New York, who would handle the power facilities as a public project. Emphasising the importance of the project, Acheson said:

"The seaway will make it possible not only to cope with the transportation problems which will arise as our present Great Lakes industries call upon the outside world for more and more raw materials, but it will also help to serve other industries which may be expected to develop in this area in the next 30 years. As our efforts to build up an expanding world economy are successful, the seaway will assist us in maintaining our share of the markets of the world, and will make it physically possible to move the increased volume of trade to which we must look forward. The time has come when we can no longer afford the enormous waste of wealth that is involved in our failure to harness the energy of this river."

Acheson also introduced a letter from Secretary of War Patterson to the Secretary of State which, in answer to the latter's request for examination of the effect....

the effect of the seaway project on national security, said that the Joint Chiefs of Staff "consider that it would be in the interest of national security" to complete such a project. The letter said the principal factors influencing this consideration were that the seaway would provide shipbuilding and ship repair facilities located in a relatively secure area; an additional line of communication for ocean shipping, easing the strain on the rail and port facilities of the east and Gulf coasts; and a large source of cheap, dependable power.---USIS.

#### TRUMAN GRANTS DIPLOMATIC IMMUNITIES TO INTERNATIONAL ORGANIZATIONS

Washington, Feb. 19 -- President Truman, by an executive order today, has granted certain diplomatic immunities to members of the United Nations Organization and four other international organizations. They are: the United Nations Relief and Rehabilitation Administration, the United Nations Food and Agriculture Organization, the Pan-American Union, and the International Labor Organization.

By this executive order, which brings the five organizations under the United States International Organizations Immunities Act of December 1945, members of these groups who are not United States citizens will be exempt from United States income taxes, and also from immigration quotas applying to their respective countries. The property and assets of the organizations will be immune from search and taxes. The members of the international organizations will also be immune from arrest for acts committed in the course of their duties.

President Truman's executive order also said: "With respect to the designation of such other international organizations as may be entitled to the privileges, exemptions, and immunities conferred by the said International Organizations Immunities Act, the Department of State is hereby designated as the agency to receive applications for the granting of such privileges, exemptions, and immunities. The Secretary of State shall require such information as he may deem necessary from the international organizations making such applications, and shall submit recommendations to the President as to whether the applicant organizations should be designated as public international organizations entitled to enjoy the privileges, exemptions, and immunities conferred by the said Act."---USIS.

BRADLEY OUTLINES 443-MILLION-DOLLAR SCHEME FOR HOSPITALIZATION OF VETERANS

Washington, Feb. 18 -- General Omar N. Bradley, administrator of veterans' affairs, has outlined to newsmen the 443-million-dollar building program designed to supply 183 permanent hospitals with 151,500 beds. He said the program was based on an estimated goal of 300,000 beds by 1975. Army engineers will take over a large part of the construction to speed the program.

To bridge the gap until new hospitals are ready, Bradley said, the Navy had agreed to supply 10,000 beds in its hospitals. Similar negotiations are under way with the Army.

Sixty-three medical schools have agreed to supply consultants, visiting staffs and residents in the new hospitals. Despite the difficult United States housing problem Bradley expected no insurmountable difficulties in procuring building materials; but foresaw a major staffing problem. To combat staff lack he said the Veterans Administration had plans which included possible scholarships for medical students as an inducement to enter VA service. ---USIS.

ADVISORY COMMITTEE OF ARCHITECTS APPOINTED TO DESIGN UNO CAPITAL

Washington, Feb. 18 -- Sixteen leading architects from various sections of the United States have been designated by the American Institute of Architects as members of its advisory committee to assist in developing the means of obtaining the finest talent the profession can produce throughout the world, to design the new UNO capital. Eric Gugler of New York heads the committee as chairman.

The institute said that "as representatives of the only national professional organization of architects in the United States, we are assiduously interested in seeing that physically the new UNO capital shall measure up to the objective of UNO," adding, "the concept of the capital demands the best thought and the highest skill that the architectural profession, nationally and internationally, can produce." ---USIS.

## SNYDER OUTLINES GOVERNMENT'S ROLE IN RECONVERSION

Detroit, Feb. 18 -- Pointing out that the Government's role in reconversion is but to assist industry and labor in meeting the responsibilities which are now theirs, Office of War Manpower and Reconversion (OWMR) director Snyder in an address before the Economic Club here described the steps which Government has taken, the policies it has adopted, and the course it may be expected to follow in assisting industry and labor to achieve their goals. Emphasizing that the "aim of the Government's reconversion pricing program is to bring peacetime goods back on the market at non-inflated prices," Snyder said:

"We have been engaged on setting a wage-price policy which will, as far as possible, and within certain limitations maintain wage-earners' incomes without breaking the price-line. A fair solution of the wage-price problem is essential to the successful completion of reconversion. Without that we cannot get into full peacetime production and without full production we cannot win our fight against inflation. Management and labor must come to a fair agreement with each other on the wages to be paid, but the Government has an urgent responsibility on behalf of all the people to make sure that rising wages and rising costs do not result in runaway inflation, for everyone of us would suffer if that were permitted."

Snyder outlined the following course which the Administration proposes to put into effect to accomplish the goal of successful reconversion:

The Government will maintain direct controls as long as they are necessary to break production bottlenecks and to assure adequate supplies for essential reconversion purposes; the Government will continue to play its present role in the readjustment process by assisting business and labor to break bottlenecks and, above all, by stabilizing the general level of cost and prices as long as there is a threat of inflation; and, finally, the Government will take such measures as are necessary to deal with urgent special problems which threaten the smooth course of reconversion, or constitute a danger to the health

and welfare of the people, such as labor-management relations and the housing shortage.

He emphasized, however, that full responsibility for production must be assumed by labor and industry. He said these two working together with the co-operation of the Government will be an irresistible force in overcoming the problems of the months that lie ahead, and added: "It is unthinkable that, after joining together to prevent the destruction of our form of free government by an enemy outside our country, **industry and labor would fail** now in meeting the challenge of these times. I know that management and labor are both anxious to be at work, for ahead of us lies the greatest era of plenty this or any other nation has ever known."

Referring to the President's executive order of February 14 he declared: "We have not reimposed full control over wages because in this period of readjustment all parties agree that it is desirable to permit the fullest degree of collective bargaining within the framework of price control. Above all, our overall objective is to lay the foundation for a return to the high-wage, low-price, mass-volume economy which has been the great achievement and basis of the unprecedented material progress of our country in this past century."

---USIS.

DR. ESTHER C. BRUNAUER APPOINTED U.S. REPRESENTATIVE ON UNESCO

Washington, Feb. 19 -- Assistant Secretary of State William Benton yesterday announced the appointment of Dr. Esther C. Brunauer as United States representative on the preparatory commission of UNESCO and member of its executive committee. She succeeds the late Dr. Grayson N. Kefauver. Formerly an officer of the Division of International Organization Affairs of the State Department, she will serve in her new capacity with the personal rank of minister. ---USIS.

ATOMIC BOMBS JUST AN EXCUSE FOR JAPANESE SURRENDER

Washington, Feb. 19 -- The Allied victory over Japan was won through air power, and the dropping of the atomic bombs on Hiroshima and Nagasaki only provided a perfect excuse for Japanese leaders to surrender, Major Alexander P. de Seversky reported to the War Department after a three-month (September-November, 1945) inspection tour in the Pacific. His mission was to observe and appraise the role of air power in the victory over Japan. De Seversky was special consultant to Secretary of War Patterson, who released the report with the comment that the views expressed were not necessarily the official views of the War Department. The report said in part:

"The Japanese, like the Germans, failed to understand the potentialities of air power. They lacked the technological knowledge for the creation of an effective strategic air force. Japanese equipment became technologically inferior; the Japanese, by taking their industries out of fireproof, concrete buildings and spreading them throughout flimsy, inflammable living quarters, committed industrial harakiri. The home industry of Japan was the first to go up in smoke under the rain of incendiaries. The totalitarian system of life and government in Japan developed into a terrific burden and handicap. Mistakes and prejudices at the highest levels tended to be frozen and perpetuated."

De Seversky's inspection of Hiroshima and Nagasaki proved as wholly unfounded the assumptions that scores of thousands of people died instantaneously in a kind of vaporizing process, that solid matter evaporated instantly in the unprecedented super-heat, and that in huge areas bald-spots were created by the total consumption of all organic and inorganic matter.

He said that the destruction was entirely incendiary in character and the deaths were due almost entirely to fire and to falling structures. The same bombs, dropped in exactly the same way on a steel and concrete city like New York, would have done no more damage than a ten-ton blockbuster. Two hundred Superforts loaded with incendiaries would have done as much damage to Hiroshima as the atom bomb. ---USIS.

OVERSEAS RELIEF CLOTHING COLLECTION CAMPAIGN A BIG SUCCESS

Washington, Feb. 18 -- Two and one half million pounds of clothing, shoes and bedding have been contributed by the residents of New York City in six weeks of victory clothing collection for overseas relief. The figure was announced by Henry Kaiser, chairman of the campaign, after the official ending of the drive last Saturday.

Nelson Rockefeller, New York City chairman of the drive, stated that the above figure represented 3,330,000 individual articles. He reported that the total poundage figure will probably reach three million when pick-ups from collection depots are completed by Thursday night.

The national success of the drive was indicated by Kaiser's statement that reports from 18,300 cities, towns and villages show that the communities have utilized all their resources to make the drive successful.

With the end of this drive it was disclosed yesterday that collections of clothing for overseas relief and also of foodstuffs and medical and other supplies will continue in a new national drive.---USIS.

BOARDS OF GOVERNORS OF INTERNATIONAL BANK AND FUND WILL MEET MARCH 8.

Washington, Feb. 18 -- The State Department announced today that the first meetings of the boards of governors of the International Monetary Fund and the International Bank for Reconstruction and Development will begin March 8 at General Oglethorpe Hotel, Willington Island, near Savannah, Georgia.

The sessions are expected to last two weeks and will be devoted to the adoption of the by-laws of the Fund and the Bank; selection of a permanent headquarters site for the Fund and the Bank; election of the seven elective directors each of the 12 executive directorships of the Fund and the Bank; consideration of the terms and conditions of admission of new members; and consideration of the United States proposal permitting admission to membership during a limited period of signatory countries which did not ratify by December 31, 1945.---USIS.

SECOND SESSION OF WEST INDIAN CONFERENCE WILL OPEN FEB. 21

Washington, Feb. 18 -- The second session of the West Indian Conference will open in St. Thomas, Virgin Islands of the United States, on February 21 and will last three weeks, the Anglo-American Caribbean Commission has announced. The sessions of the conference are held under the auspices of the commission which is shortly to be renamed in a joint four-nation communique as a consequence of the recent addition of the French and the Netherlands governments as commission members.

The first session was held in Barbados, British West Indies, in March 1944.

Under the system of rotation the chairman of the second session will be Charles W. Taussig, United States co-chairman of the commission. The two other United States commissioners, Rexford G. Tugwell, governor of Puerto Rico, and Ralph J. Bunche of the State Department, as well as other United States officials will also be present.

The British delegation at the conference will be headed by Sir John MacPherson, British co-chairman of the commission and comptroller for development and welfare in the West Indies. The French Government has appointed three commissioners who will attend the conference. Two Netherlands commissioners will also attend. Over five and a half million people will be represented by the delegates attending from the colonies and territories of the four nations comprising the commission.

Among the problems of the Caribbean area which the conference will discuss are agricultural and industrial diversification, trade within the Caribbean, transportation, health and research (role of the Caribbean Research Council). Among the subjects recommended for specific action are a tourist project, development of production and marketing on a regional local crafts basis, sociological surveys and a conference of soil scientists. ---USIS.

## HUGH STRIDES IN U.S. HELIUM PRODUCTION ACHIEVED DURING WAR

Washington, Feb. 18 -- Disclosing figures of helium production for the first time since Pearl Harbor, Oscar L. Chapman, acting Secretary of the Interior, said Saturday that the Bureau of Mines' plants in the last five fiscal years produced 370,787,000 cubic feet of helium or enough to inflate over 600 patrol and scout blimps of the largest and latest type used by the United States Navy to wage war on Nazi submarines in the Atlantic. The Bureau's wartime helium output also would provide enough of this scarce gas to inflate a fleet of more than 50 huge dirigibles of the Graf Zeppelin or Hindenburg class, the Chapman report said.

Chapman pointed out that slightly more than a quarter of a century ago helium was produced at a cost of about 2,500 dollars per cubic foot, but that the Bureau's methods now produce helium for less than one cent per cubic foot.

Aside from its wartime use against Nazi submarines, helium assisted the Weather Bureau in charting high altitude currents for stratosphere flights, opened up new fields in magnesium welded fabrication of heavier than air craft, enabled divers to go to the greatest depths they ever reached below the surface of the sea, and relieved human suffering by alleviating certain respiratory ailments and caisson disease, commonly known as "the bends."

In 1938 the Department of the Interior turned down Nazi Germany's application to buy ten million cubic feet of helium from the United States.---USIS.

## BENTON SCHOLARSHIP ANNOUNCED

Washington, Feb. 18 -- Through the generous gift of Assistant Secretary of State Benton, the American Foreign Service Association has established the William Benton Scholarship for 1946-47 comprising one full year's tuition, not in excess of 600 dollars, for under-graduate or graduate studies at any college or university in the United States.

A son or daughter of any officer or American employee of the foreign service of the United States of America or in the field service of the Department of State abroad is eligible for the scholarship.---USIS.

ARGENTINE REPLY TO U.S. ANALYZED

New York, Feb. 18 -- The New York Times editorial today analyzed the Argentine Government's reply to the United States blue-book on the fascist activities of the Argentine Government. The editorial said in part:

The answer of the colonels of the Government of Argentina to the charges made against it in the blue-book issued by the United States Government is what might have been expected. The colonels are determined to bluff through the crisis, if they can, by counter-charges of attempted interference in Argentina's internal affairs, and protestations of their integrity, good neighborliness and adherence to hemispheric and world commitments.

The blue-book does not of itself constitute interference in Argentina's internal affairs, except as it lays before the Argentine people in documentary form the dealings their would-be dictators had with their opposite numbers in Europe. It does show how and why the Argentine people themselves have been victimized. If that be interference, let us hope that the Argentine people will make the most of it. Such charges by the colonels are evidence more of a guilty conscience than of righteous anger.

One of the most important points in the blue-book was that of proving the direct interference and attempted interference of the colonels with the internal affairs of several of their neighboring American states. They did help to foment a successful revolution in Bolivia. Today they still carry on propaganda against the United States and other democracies in most of the other countries of America. That is an earnest of the good neighborliness and juridical equality which they so piously profess. They do not respect any other nation's sovereignty themselves, so they suspect all others of threatening their own.

Their protestations that they always have faithfully fulfilled their international commitments, the blue-book specifically refutes. The record of their own actions since 1939 is all the evidence that really was needed. Anyone who has studied the record will know how to evaluate their present promise to faithfully comply with their international commitments. ---USIS.

UNESCO AIMS AT COMBATING IGNORANCE, PREJUDICE AND MISTRUST AMONG NATIONS

Washington, Feb. 18 -- If atomic warfare is not to destroy civilization, mutual understanding among peoples must replace ignorance and suspicions, declared a report released Friday by the Department of State on the United Nations Educational, Scientific and Cultural Organization (UNESCO). The report is issued in the form of a pamphlet entitled "The Defenses of Peace."

The first part of the pamphlet contains a letter of transmittal to Secretary of State Byrnes by Assistant Secretary of State William Benton and the report of Archibald MacLeish, chairman of the American delegation to the conference which met in London November 1 to 16, 1945, to draft the constitution of UNESCO. Included also are the text of the constitution and other documents approved by the conference.

Part two of the pamphlet, which will be available shortly, contains a summary and analysis of the constitution prepared by the delegation and other related documents.

The pamphlet derives its title from the preamble of the UNESCO constitution, which declares that "since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed." The UNESCO constitution is now under consideration by the governments of the United Nations. The organization will come formally into existence when the constitution has been accepted by 20 nations. In the letter transmitting MacLeish's report, Benton said in part:

"If the creation of mutual understanding among the peoples of the world was important in the spring of 1945 before the demonstration of atomic warfare -- when in San Francisco it was declared an essential purpose of the United Nations -- it has now become a matter of paramount urgency.

"UNESCO can become a dynamic force only if it is given the world's best intellectual, moral and political leadership, and only if it is granted time to grow. Years of devoted service by the ablest, best trained and most

energetic men and women will be needed to realize its full potentialities. UNESCO will require ample funds not only in the budget of the international agency itself, but also for the support of national commissions proposed for the respective governments. Unless UNESCO is accorded such solid support, it will not be able to live up to its promises. If it is starved for leadership or funds, if it is bypassed when governments try to deal with knotty problems, if it is kept as a sort of ornamental cabinet in the hallway of UNO, it can certainly not affect materially the course of world history.

"One of the most hopeful signs is that more people than ever before have acquired a sense of the urgency of the **problems** which UNESCO is being created to solve. The best reason to be confident that UNESCO will come alive is that more and more people agree that it must. For it seeks and assumes the task of building the defenses of peace in the minds of men. There is no other way to peace."

MacLeish's report said in part:

The London conference opened in something less than three months after the first demonstration of the destructiveness of the new atomic weapon and at a time when the nature, if not the full extent, of the problem thus presented to the world had become apparent. The London conference exhibited from the beginning of its deliberations a willingness to face the realities of the crisis thus presented and to draw the necessary conclusions with regard to its own work.

If suspicion and fear as between peoples of the world have become immediate and present dangers, it follows that international trust and confidence are no longer the ideal goals to be realized in some utopian future, but present and urgent and inescapable necessities to be realized at once and by every available means. One such means is by a direct attempt to remove ignorance and prejudice upon which fear and suspicion feed and to replace them with knowledge and understanding which give rise to a sense of common humanity and therefore of common interests and therefore of a common life.

It was to this affirmative and constructive purpose that the London conference directed its attention. It is, in other words, to combat ignorance and mistrust and thus to defend the foundations of peace that the organization is formed. And the weapons it is to use to that end are weapons appropriate to its task -- weapons of enlightenment and mutual comprehension.

The organization, broadly conceived, is an organization which will collaborate with member nations through the media of mass communications, through the instruments of popular education, and through the advancement, increase and diffusion of knowledge of all kinds to achieve the mutual understanding, and therefore mutual trust and confidence, which have now become essential.

The new organization will have general powers to make reports to member states and to request reports from them, to call international conferences and to advise the United Nations Organization on matters within its competence. Assured of the means of obtaining information and endowed with the power to publish it, the United Nations Educational, Scientific and Cultural Organization should be able to exert an influence upon world opinion limited only by the courage and devotion of those who direct its work.

The United States delegation shares my own deep conviction that the adoption of the constitution of UNESCO is in the best interests of the United States and the world. Establishment of UNESCO will, in our opinion, measureably further the hope of international understanding. The constitution of the new organization is not, we know, a perfect charter. It can be, and doubtless will be, improved with the passage of time. But we believe that the instrument which this constitution creates is an instrument through which a beginning can be made upon a labor which can no longer wait. ---USIS.

BOWLES URGES EXTENSION OF PRICE CONTROLS TO MEET THREAT OF INFLATION

Washington, Feb. 18 -- Economic stabilizer Chester Bowles told the House banking committee today that the nation faces an inflationary explosion with pressure now "up to the bursting point." Bowles urged speedy approval of a bill to extend price controls for a year after the present June 30th expiration. He also urged the continuation of food subsidies and the establishment of price ceilings on homes.

Bowles said the extension of the stabilization statutes is vital to making Truman's new wage-price stabilization program effective until increased production makes it safe to remove all Government controls. Bowles said:

"It would be difficult to exaggerate the gravity of the inflationary crisis we face. We can see it in the stock market, the real estate market, and in almost every commodity market. What is at stake is more than our reconversion program. What is at stake is our entire economic future."

"The President last Thursday laid down a new stabilization program. He called upon me to take the responsibility for its administration program. I think it is a good, workable program. The basic policy is clear and understandable. On the wage side, control has been reestablished. This does not mean a wage freeze. Wage increases within the industry patterns already laid down since V-J Day will be approved by the Government."

In relation to prices, Bowles added: "The new policy means that manufacturer will no longer be required to wait six months before the wage increases which they have granted will be taken into consideration in setting their prices. If for any reason an industry -- operating at normal volume -- is in hardship, price adjustments will be granted. These price adjustments will be designed to assure the minimum level of peacetime earnings for that industry during the coming year."

Bowles emphasized that the new policy does not mean general price increases. He said:

"Let us remember that the number of industries, which have been or are likely

to be forced below their pre-war earnings for any reason, is relatively very small. The present pattern of wage increases can be, and in many instances has already been, established in scores of industries with no price consequences whatsoever. The result of this new wage-price policy will not necessitate a retreat from the present price line. It will mean a bulge in one relatively narrow section of that line -- a bulge which must not be allowed to spread.

"You and I and the American people all face a grave responsibility. I am confident that in the face of the danger of inflation we shall close our ranks as the President has called upon us to do, and carry through the program which he has laid down. I am confident that we shall now throw our economic machine -- the most productive in the world -- into high gear."---USIS.

ADVISORY GROUP ANNOUNCED TO REORIENTATE JAPANESE EDUCATION

Washington, Feb. 18 -- The State Department announced today that assistant secretary for public affairs William Benton, in response to a request by the War Department, has invited a number of distinguished American educators to serve as an advisory group on education in Japan.

The advisory group was originally proposed by the Supreme Commander for Allied powers in the Pacific, General MacArthur, who requested the assistance of competent authorities in the various fields of education to advise his staff and, through him, the Japanese Ministry of Education on technical matters relating to the educational program to be followed under Allied occupation.

The group will also make recommendations to the Supreme Commander on the most effective measures to be taken in the process of demilitarization and re-orientation of the Japanese educational system.

It is expected that the group will depart about February 22 from San Francisco and spend approximately one month in Japan. In agreement with the War Department and General MacArthur, the State Department has named Dr. George D. Stoddard as chairman of the group. Dr. Stoddard is at present the state commissioner of education for New York and president-elect of the University of Illinois.---USIS.

WALLACE URGES INCREASED PRODUCTION

Des Moines, Iowa, Feb. 18 -- Secretary of Commerce Henry A. Wallace, speaking before the National Farm Institute on Saturday, said that United States prosperity "must be based on world security and world security absolutely requires a healthy world trade." Urging increased production, Wallace said:

"There is no danger of too much production until the actual standards of life in this country begin with the minimum and go on to an average greatly higher than we have reached so far. It is certain that the American people will not again tolerate large-scale idleness of men and machines.

"We must have greater cooperation and better understanding between agriculture, business and labor. We must have in addition much better coordination of governmental policies and programs.

"There are two great goals on which the minds and hearts of the American people are focussed. The **first is** peace. The second is utilizing all our productive capacity. And these two great goals are not separable one from another, for each depends on the other.

"Our own domestic prosperity must be based on world security and world security absolutely requires a healthy world trade. But there is no world security and no continued healthy world trade without a stable, healthy and growing prosperity in the United States."

Wallace cited the pending loan of 3,750 million dollars to Britain as the first big example of how the United States as the "greatest and richest industrial nation can help to stabilize world trade in our own best interests."

Approving the appointment of Chester Bowles as United States Economic Stabilization Administrator, Wallace said: "Chester Bowles today is the most dramatic figure in Washington. First and foremost, it is his job to protect the consumer. Second, it is his job to hold the balance between warring producers and groups. Third, it is his job to protect producers against themselves, to keep them from climbing the hill of inflation only to jump off the precipice like sheep upon the jagged rocks of depression beneath." ---USIS.



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293 HORNBY ROAD, LONDON, ENGLAND

"....When men have realized that time has upset many fighting faiths they may come to believe even more than they believe the very foundations of their own conduct that just have better cred is better reached by free trade in ideas, among nations best. The power of the thought to get itself accepted in the mind - competition labor. We, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in his case before the U. S. Supreme Court of Abrams v United States.

February 25, 1946

TRUMAN SAYS U.S. SECURITY PROVISIONS ARE ADEQUATE

Washington, Feb. 24 -- President Truman, at his press conference Thursday, was asked several questions on the reported atomic secrets leakage.

To a question, President Truman said, last November he discussed atomic energy with British Prime Minister Attlee, but did not discuss spies. He also said he did not talk about unauthorized leaks with Prime Minister King of Canada during the latter's trip to Washington, and did not check the United States security system. He added that he thought U.S. security measures were and still are, adequate.

Truman said he had invited five persons to serve on the civilian atomic energy board which will study the results of the bomb tests in the Pacific, as he had not heard from them he would not give their names. He said he has not yet decided on the United States representative for the United Nations Atomic Commission.

The President had no comment to make on the speech of Harold Macmillan

London urging a return to "Big Three" meetings, and said he had not read the speech.

Regarding a report that the U.S. Justice Department was seeking agents of foreign powers, Truman said he had no information.

Asked if he discussed with Winston Churchill United States and British policy toward Russia, Truman said they only talked about the trip to Missouri in March. He added that Secretary of State Byrnes and Churchill did not discuss that problem either.---USIS.

#### SENATE CONFIRMS PORTER AS HEAD OF OPA

Washington, Feb. 24 -- President Truman's nomination of Paul A. Porter to succeed Chester Bowles as head of the Office of Price Administration was unanimously confirmed by the Senate last Thursday.

The Senate banking and currency committee had previously approved the nomination after a brief half-hour hearing. Members of the committee had commended Porter as an able and experienced administrator.

Porter had told the committee that he planned to resign from his present post as chairman of the Federal Communications Commission as soon as his nomination was confirmed.

Taking over the office previously held by Bowles, who recently was named director of the Office of Economic Stabilization, Porter will be in a key position for carrying out the presidential wage-price policy announced recently. Porter emphasized before the committee that the new policy would permit price increases for "hardship" businesses.---USIS.

U.S. PRESS COMMENT ON ATOMIC BOMB ESPIONAGE

Washington, Feb. 24 — United States newspaper editorials on reports of Russian espionage in Canada on atomic energy developments tend on the whole to analyze the causes of the so-called Ottawa affair rather than to censure Russia for it. There is editorial emphasis on the idea that military espionage is not an uncommon peacetime practice, even among friendly nations, and several editorials also raise the question as to exactly how much atomic energy information still remains really secret.

The New York Herald Tribune, for instance, called "peacetime espionage... one of the inevitable aspects of a general insecurity... It would be very pleasant if the Russians trusted Canada and the United States sufficiently to let them remain in undisturbed possession of all the secrets of the atomic bomb. It would be equally satisfactory if there were enough confidence in Russia among the possessors of the atomic bomb to permit the precarious secrets to be broadcast. So long as neither of those conditions obtains, however, it would be well to accept the necessity of spying and being spied upon and to conduct the dual process as efficiently and as painlessly as possible."

The New York Times pointed out "that the Russian Government recognized the impropriety of the action taken in its behalf and recalled its military attache from Ottawa, 'in view of the inadmissibility of the activities' of certain members of his staff."

This move by the Russian Government was discussed in a Washington Evening Star editorial. It said in part: "Possible significance of the Soviet assertion of the 'inadmissibility' of the activities of its representatives in Canada should not be overlooked. This could amount to repudiation of espionage activity, an inference that is strengthened by the announcement that the Soviet Government recalled the attache upon learning of his activities. If this can be taken as a sort of qualified apology, it may point toward an adjustment of what could

otherwise become . . .

otherwise become a serious international incident."

A Washington Post editorial stated: "All this is very likely to intensify the present epidemic of postwar jitters, but there is nothing in it at which we need really be surprised. It is well known that every great power seeks to appropriate the military secrets of other powers and that, wherever opportunity offers, it employs spies and secret agents to this purpose . . . What is somewhat surprising, though, is the news that there are now any important secrets about the atom bomb worth stealing."

A similar point was made in the Baltimore, Maryland, Evening Sun, which stated "As for the secret of atomic power . . . we have been told over and over again that spies or no spies, this secret is one which can be kept only for a limited time; that the basic scientific knowledge is already common property and that any nation of sufficient industrial power can eventually produce an atomic bomb."

The Baltimore Sun commented that the "Russians must be extremely sensitive about their position to react so violently to what is, after all, a relatively unimportant incident in this spy-ridden world. We do not profess to know whether their sensitiveness is a reflection of their desire to make an impression abroad or their desire to impress the people at home . . . In any event, this incident, overemphasized though it be, is notification to all of us that Russia's growing pains are going to be as uncomfortable to the rest of the world as they clearly are to Russia herself."---USIS.

#### MCMAHON ON CANADIAN INVESTIGATIONS

Washington, Feb. 24 -- Senator Brien McMahon, chairman of the Senate special committee on atomic energy, issued the following statement: "Secretary of State Byrnes has repeated to the atomic energy committee his previous press conference statement that the State Department has no information regarding the implication of any American officials in the Canadian investigations; that the State Department has suppressed no prosecutions; that, on the contrary, the Canadian authorities were advised by him three weeks ago that this Government had no request to make of the Canadian Government as to their investigations."

McMahon said that as far as his committee was concerned they would have no further interest in the Canada matter. ---USIS.

U.S. EDITORS APPLAUD UNO STUDY OF FREEDOM OF INFORMATION

New York, Feb. 24 -- The American Society of Newspaper Editors' standing committee on world freedom of information today termed imperative and wise the U.S. delegation's request to UNO, for a full study of the whole problem of freedom of information.

In a statement to Edward R. Stettinius, Junior, chairman of the American delegation to UNO, the committee said:

The American Society of Newspaper Editors, membership of which includes active editors from almost every important newspaper in the United States, has assumed as a serious obligation the furtherance by every possible means of the cause of world freedom of information as a vital element in a lasting peace.

A committee representing the Society toured around ~~the world in the early months~~ of 1945, holding conferences with groups of editors and government officials in all available capitals during the war period. This committee found a sincere desire on the part of foreign editors for freedom of the press and an enthusiastic support -- except in Russia, where the press is government-owned or controlled -- for the elimination of censorship and interference by the government with freedom of news and expression.

The American Society of Newspaper Editors has since named a standing committee on world freedom of information constantly to survey the world free press situation. Observations indicate, among other matters, that:

ONE -- The cause of freedom of information, despite world-wide publicity and attention, has not been conspicuously advanced with the end of the war.

TWO -- During the past three months political pressure has been exercised against newspapers in nations members of UNO, and by one device or another editors and their newspapers have been suppressed for opposing government policies.

THREE -- In some nations and areas, statesmen have evidently drawn no lessons from the most terrible and devastating struggle in history which was the result

of secret diplomacy, trickery, ultra-nationalism, demagoguery and repression, including censorship and control of all media of public knowledge and expression national and international.

FOUR -- While some statesmen are honest and sincere in their desire to promote and perpetuate freedom of the press in their respective nations, the problem is intricate and dependent to some extent on the attitude of others and is, therefore, an international rather than a national problem.

FIVE -- While the issue of world freedom of information is wholly supported by the United States Government, by the American press and radio, and has almost the universal approbation of American public opinion, the approach to it on the part of some governments is, to say the least, apathetic.

SIX -- Any hope of international agreements looking forward to world-wide freedom of information designed to prevent or erase international **mistrust**-standings is now in the hands of the United Nations Organization and uniquely depends for success upon the initiative and ability of the American delegation to promote it.

The standing committee of the American Society of Newspaper Editors, in view of the above conclusions, notes with much interest the information that the United States has now requested that the Commission on Human Rights undertake, as one of its first tasks, a full study of the whole problem of freedom of information with a view to preparing draft recommendations or a draft convention thereon to be submitted to the Economic and Social Council and later to member governments.

The standing committee is more than ever of the view that United States policy is imperative and wise, and that a forceful stand for prompt action will be supported by most editors who, the world over, are convinced that government control of or interference with the right of the people to know the truth threatens the very foundations of a lasting peace.---USIS.

## UNRRA PROVIDING 165 FELLOWSHIPS

Washington, Feb. 24 -- The United Nations Relief and Rehabilitation Administration has announced that 165 fellowships are being offered by UNRRA to recognized specialists in various countries receiving UNRRA aid, for the purpose of training experts to carry on UNRRA's program after the organization's activities end.

Administration of the program, which will give a carefully selected group of experts the opportunity to familiarize themselves with developments and techniques in their special fields, is under the general direction of Doctor Harold E. Snyder. The fields covered by the fellowships will be mainly health, including medical research, nursing, sanitary engineering, welfare, and industrial rehabilitation, including transport and agricultural rehabilitation.

Experts will be chosen by their governments, subject to UNRRA approval, and must agree to spend at least three years in relief and rehabilitation work upon their return to their native lands. UNRRA will provide expenses for transportation and travel within the country of their choice and a monthly allowance while studying for books, clothes and essential equipment. It is presumed that their governments will continue to pay their salaries and provide for their families. It is expected that 80 per cent of the fellows will elect to study in the United States or Canada and the other 20 per cent in Europe.

Fellowships have been allocated to Byelo-Russian S.S.R., China, Czechoslovakia, Ethiopia, Greece, Poland, the Ukrainian S.S.R. and Yugoslavia. Most of the fellows from the European countries are expected to arrive by April and spend the balance of 1946 pursuing their studies. Those from China will not arrive until the summer.----USIS.

RECORD UNRRA SHIPMENTS IN JANUARY

Washington, Feb. 24 -- January shipments of UNRRA supplies, amounting to 989,200 gross long tons, have brought the total UNRRA shipments to war-devastated areas over the five-million-ton mark, Herbert Lehman, director general of UNRRA, has announced.

The supplies shipped in January (in gross long tons) went to the following countries: Albania, 3,000 tons; Byelo-Russia, 14,300 tons; China, 122,000 tons; Czechoslovakia, 89,600 tons; Greece, 167,300 tons; Italy, 220,900 tons (This does not include the 400,000 tons of coal and 151,000 tons of wheat programmed for Italy by the United States Government in January); Poland, 137,500 tons; Soviet Ukraine, 38,300 tons; and Yugoslavia, 195,800 tons.

Calling the January shipments "the largest since UNRRA began operations" -- more than 200,000 tons greater than in any previous month -- Lehman also said that future shipments must be even larger "to meet the minimum urgent needs of the nations served by UNRRA." Lehman added: "Unless every possible step is taken to conserve supplies both in the exporting and receiving countries, the suffering and starvation in many parts of the world will be indescribable. The gravity of the situation cannot be exaggerated."

Part of UNRRA's supplies, Lehman announced, are coming from Allied military surpluses. He explained: "Transfer of these supplies is taking place under the most difficult conditions... No matter what the difficulties, UNRRA is determined to ensure that these invaluable military surpluses get to the war-ravaged countries of Europe and the Far East as quickly as possible to meet needs of the utmost urgency." ---USIS.

U.S. LUMBER PRODUCTION

Washington, Feb. 24 -- United States lumber production in 1945 amounted to 27,356,074,000 board-feet, which was 16 per cent less than in 1944, the Civilian Production Administration announced last week. Requirements for 1946 are 36,000 million board-feet reflecting the expected impact of the veterans' emergency housing program. ---USIS.

ROUND-THE-WORLD AIR FLIGHT IN COMMEMORATION OF WENDELL WILLKIE

New York, Feb. 24 -- The first annual round-the-world air flight in commemoration of Wendell L. Willkie's famous "One World" trip in 1942 will be made this year by Norman Corwin, radio author and director, under the terms of an award by the Common Council for American Unity and the Willkie Memorial of Freedom House in this city. The announcement was made recently at a dinner here in honor of the 54th anniversary of Willkie's birth.

Former mayor F. H. La Guardia in making the award said he hoped a Memorial Committee would be established to ensure perpetuation of the annual flight. The sponsors hope that the flight will be a constant reminder of Willkie's concept of world unity and close understanding among nations. The initial award to Corwin La Guardia said, was for his "inspired writing for radio and other media which makes him a worthy recipient of this distinction as the first of the Willkie travellers who will circle the globe."

Corwin, accepting, said in part: "Wendell Willkie's concept of one world has just begun to take shape. It has on its side certain considerable resources, such as ardent yearning for peace and freedom of billions of people.... When the logic and truth of his great dream is translated by all peoples and absorbed and shared and implemented by them, then the world of Wendell Willkie's concept will come about. Then we shall be able to dismiss the fear of being vaporized suddenly and without warning. Then we can talk sensibly and confidently about a fruitful and abundant human life."

News commentator Walter Lippmann said Willkie could not readily be classified in any one political category. Lippmann said in part:

"He had many friends. Indeed, I am not sure but that the thing for which he will be remembered longest and best is that so many men of different parties,

colors, countries. . .

colors, countries and in all walks of life became, because they were his friends, more friendly with one another....

"In one way or another he faced all the fierce issues which divided mankind -- but always with his eyes upon the great hopes, with his mind and his heart upon the visions and the promises, by which men may yet become united. He is among those who played a deciding part in historic days and shaped the course of history.

"Wendell Willkie was a Republican and he was in his convictions about property and competition and private initiative a conservative. But he never got into a groove and stayed there. And while he knew the difference between conservatism and radicalism, he never forgot that the difference between right and wrong is more important than the difference between right and left.

"Few did as much as he did, when it took moral courage to do it, to convince our people that survival of Britain and assistance to the Soviet Union were vital to the interest of the United States. But that did not commit him to the support of all British or all Soviet policies everywhere, and he was perhaps the first American of any eminence and influence who was indisputably loyal to the alliance and at the same time a critical friend of our allies.

"He was in this respect what we have always believed an American citizen is supposed to be, an independent man who likes his fellow men, who respects them, will fight for them, but who never gives them a lease or a mortgage on his conscience... That is why it was impossible to classify Wendell Willkie... This made a lot of people uncomfortable, and it certainly was not the normal way to get on in politics. But I think it was the way to get on with the business of becoming civilized; and of resisting spiritually and morally the great tide of reaction into barbarism which has come into our world." -- USIS.

ALLIED DIRECTIVE ON JAPANESE FISHERIES INDUSTRY

Washington, Feb. 24 -- A Joint Chiefs of Staff directive to General MacArthur, dated November 19, 1945, regarding the treatment of Japanese fishing and aquatic industries during the occupation period, has been made public by the State Department.

The directive said that Japanese "coastal fisheries and fish culture should be utilized as primary sources for domestic consumption to the extent that fish culture and coastal fisheries are usable to meet the minimum domestic requirements." Deep sea fisheries and other fisheries in waters open to Japanese operation may be utilized where security and political considerations permit. Deep sea fishing in areas near United States territory or near United States island-responsibilities should not be authorized. Japanese fishing should not be permitted near areas under Allied jurisdiction without prior permission from the country concerned. These prohibitions should continue until international agreements are negotiated permitting Japanese fishing in these areas.

Regarding exportation, the directive said: "Such fishery products may be exported as can be produced by vessels, facilities, gear, equipment and supplies not suitable for or convertible to use in providing for domestic consumption, and which are needed (1) to supply United Nations needs for animal proteins and oils or (2) to secure foreign exchange for essential imports."

The directive concluded: "In the establishment of local security regulations consideration should be given to ensuring the maximum production of seafood products consistent with security requirements." ---USIS.

FRENCH ECONOMIC MISSION TO U.S.

Washington, Feb. 24 -- French ambassador Henri Bonnet called on Assistant Secretary of State William Clayton Friday to discuss plans for the expected arrival here this week of the French Economic Mission, headed by Leon Blum. Bonnet said it had not yet been decided how long Blum will stay in Washington.

---USIS.

BYRNES SAYS U.S. IS NOT COMMITTED TO SEPARATION OF RHINELAND

Washington, Feb. 24 -- U.S. Secretary of State James F. Byrnes told a press conference February 20 that the State Department has not told the French whether the United States had an attitude for or against the separation of the Ruhr and Rhineland. The matter has been discussed by representatives of the French, first with the United States Government, then with the British and the Soviet governments, the Secretary said. He added that no agreement was reached and no conference had been held on the subject.

The Secretary admitted that cession of territory can only be settled at the peace conference. The French, he added, want to discuss whether they can get commitments.

A reporter asked if French foreign minister Georges Bidault had, in his reply to Secretary's letter, offered to waive France's veto over the centralization of the civil administration of Germany in exchange for eventual study of France's Ruhr and Rhineland demands. Byrnes refused to commit himself, but said that there was no proposal in his letter regarding the centralization of administrative agencies, or that it should be done in exchange for eventual study of France's Ruhr and Rhineland demands. These two are entirely separate so far as the United States Government is concerned, Byrnes said. There has been no reply to the Secretary's letter.

The Secretary, answering another question, said he knew of no one in authority who had promised German civil administration in the United States zone by June, although General Eisenhower some months ago said he hoped for such a result. It is impossible to determine a date at this time, Byrnes said, adding that there is no chance of this happening by June 1.

The Secretary said the State Department, and he himself, do not wish to assume administrative responsibility for the American zone in Germany, as it is not equipped for that so well as the War Department.

Russian troops....

### Russian Troops In Manchuria

Byrnes said that the United States has asked Chungking to keep it advised on withdrawal of Russian troops from Manchuria, and that both China and Russia had been queried concerning progress of withdrawals, but no replies had been received from either. He said there is no evidence so far of withdrawal of Russian troops from Manchuria.

Asked concerning determination of the line (thirty-eighth parallel) dividing the United States and Russian zones in Korea, Byrnes said that this had been worked out by military officials, presumably in the field. ---USIS.

### DISTINGUISHED AMERICAN INTERNATIONALIST DEAD

Washington, Feb. 24 -- Raymond Leslie Buell, former president of the Foreign Policy Association, writer, lecturer, and a distinguished internationalist, died in Montreal, Canada, February 20, where he had gone last month for medical treatment. He was foreign affairs adviser to Time and Life magazines at the time of his death.

Buell joined the Foreign Policy Association as research director in 1927 soon after returning from Africa, where he investigated political conditions under the auspices of the Bureau of International Research of Harvard University and Radcliffe College. Elected president of the Association in 1933, he held that post until 1939 when he resigned to carry on his work as Round Table editor of Fortune magazine.

An authority in the field of foreign affairs, Buell was lecturer and professor at several American universities, including Columbia, Harvard, Yale and Princeton. A prominent author, his works included "Contemporary French Politics," in 1920, "Japanese Immigration," in 1924, and "Europe -- A History of Ten Years," in 1928.

In 1934 Buell was chairman of the Foreign Policy Association's commission which studied and reported on the social and economic conditions in Cuba at the invitation of the Cuban Government. ---USIS.

U.S. VICTORY GARDENS TO CONTINUE

Washington, Feb. 24 -- Home gardeners of the United States, who added so much to the nation's food supply during the war, were urged Thursday night by President Truman to continue their efforts this year and thus help in meeting the general food shortage.

After a conference with the President, Secretary of Agriculture Clinton P. Anderson appointed Paul C. Stark of Louisiana, Missouri, as director of the National Garden Program and arranged to call a conference of national garden leaders at an early date.

Stark, who was in charge of the Department of Agriculture's Victory Garden Program last year and last August was appointed director of the food distribution program branch of the department's Production and Marketing Administration, will work through state extension services and other established agencies in advancing the new program.

He will head the committee which will work out plans for a broader, long-term program which will include the improvement of home surroundings in both rural and urban areas. ---USIS.

FOURTH SESSION OF UNRRA COUNCIL BEGINS ON MARCH 15

Washington, Feb. 24 -- Herbert H. Lehman, director general of UNRRA, has invited President Truman to attend and address the opening meeting of the fourth session of the organization's council at Atlantic City, New Jersey, on March 15. The President said he would like to be present, but could not give a definite answer at this time.

After extending the invitation to President Truman, Lehman called attention to the importance of this session which will be attended by representatives of 47 nations. He said the session, which is expected to last about two weeks, will consider many important problems, among them that of food shortage, which, he said, could not be overemphasized, and also that of handling displaced persons, of whom more than one and a quarter million still remain in Germany and Austria. ---USIS.

BRUNAUER BACKGROUNDER

Washington, Feb. 24 -- Dr. Esther C. Brunauer, who succeeds Dr. Grayson N. Kefauver as United States representative on the United Nations Educational, Scientific and Cultural Organization's preparatory commission, has been closely associated with the development of international organizations in the educational, scientific and cultural fields. She served as technical expert to the United States delegation to the San Francisco Conference and the UNESCO conference in London.

Dr. Brunauer was graduated from Mills College, Oakland, California, and received a Ph.D. from Stanford University, Palo Alto, California. She specialized in European and American diplomatic history. In 1945 she was awarded the honorary degree of Doctor of Laws by Mills College.

Dr. Brunauer served as international relations secretary and associate in international education with the American Association of University Women from 1927 to 1944. Being responsible for the general direction of the international programs and relations of AAUW, she made frequent trips to Europe and travelled and lectured widely in the United States.

She was chairman of the national defense commission set up in 1936 by the National Committee on Cause and Cure of War. Later she was chairman of the committee which organized and brought into existence the Women's Action Committee for Victory and Lasting Peace. She served as chairman of the Washington branch of the Commission to Study the Organization of Peace. ---USIS.

TRUMAN NOMINATES O. MAX GARDNER TREASURY UNDER SECRETARY

Washington, Feb. 20 -- Former governor O. Max Gardner of North Carolina was nominated yesterday by President Truman to be Under Secretary of the Treasury. He has held a key post as chairman of the War Mobilization and Reconversion Board since December, 1944.

The treasury post was formerly held by Daniel W. Bell, who resigned to become president of the American Security and Trust Company in Washington. ---USIS.

WALLACE WARNS ECONOMIC BLOCKS ARE DANGEROUS TO WORLD PEACE

Chicago, Feb. 24 -- Secretary of Commerce Henry Wallace, speaking at a recent session of the Chicago Association of Commerce's World Trade Conference, stressed the necessity for United States economic cooperation with other nations in the post-war period. Wallace said in part:

An expanding foreign trade is an absolute essential in our economic life if we are to progress and prosper in our competitive, free enterprise system. But our free enterprise can survive only in an atmosphere of confidence based on world security. World security must be based on political security and you can have political security only when you have constant improvement in living standards throughout the whole of the world.

It is hardly necessary for me to repeat the much-publicized facts about the urgency of foreign relief requirements. Human needs throughout the world are practically without limit. They provide the basis for markets of almost inconceivable extent if only the incomes and living standards in those countries can be brought up to a reasonable level of prosperity.

The United States Government already has recognized its responsibilities in assuring a maximum of foreign commerce within the bounds of sound finance. Already it has increased the lending authorization of the Export-Import Bank by 3,000 million dollars, and, after the most exhaustive negotiations, this Government has undertaken a loan of 3,750 million dollars to Great Britain. The British loan is not merely a commercial agreement between the governments of the United States and the United Kingdom. It is an undertaking on the part of the British for economic cooperation throughout all of the world.

The two largest trading areas of the world are still the trading areas of the United States and the United Kingdom -- the areas of the pound sterling and the dollar. For six years Britain devoted all of her resources to the winning of the war. Britain is a small island, wholly dependent upon foreign trade, and now she finds herself unable to pay for the things she will need in the next few

years, while she is reestablishing herself in world trade.

Given this situation, what are the alternatives open to Great Britain? Great Britain would be forced, by the very weight of the economic pressure placed upon her, to embark upon a vicious system of dog-eat-dog in world trade. In the meantime the United States would be unable to sell goods throughout the British Empire. The result would be economic warfare that would destroy the hopes of this Government for the maintenance of a worldwide system of reciprocity in foreign trade, and world security would be at death's door.

Now neither the Government of Great Britain nor that of the United States desire this economic warfare. Britain is not blackmailing us into this loan. You know that there are certain narrow, selfish groups in London -- they have their opposite numbers in this country -- who are opposing this loan with inane stubbornness and blind ignorance.

These are times for realism in world affairs -- for helping those who need help now, when they are in a position to maintain an equilibrium in world affairs. This loan is only the equivalent of what we spent for 15 days of the war. Is that too much to risk now for years of peace? I have no intention of being an alarmist, but I have no hesitancy in saying that the peace would not long survive if the world is to be divided into three restrictive economic blocs -- the dollar bloc, the sterling bloc and the Russian bloc. There is opportunity in the world for all -- room enough for all -- but only on the basis of economic cooperation and not economic conflict.

#### Loans Must Be For Productive Purposes

There seems to be a general impression that our experience in foreign investments has been uniformly bad, which, however, is far from the truth. We must make certain that all loans are beneficial -- both to the borrower and the lender; that they are made for productive purposes that will lift up living standards abroad; that the amounts of the loans are sufficient to do the job; that the interest and amortisation charges are adjusted to the special conditions

of each country; and that they provide for repayment at a resonable and regular rate over long-term periods of years.

There are also great pools of unused capital resources in the United States. Our problem now is to move a substantial part of these resources into a program of sound long-term foreign investment. We must do this on a basis that will promote the peace, raise living standards throughout the world and break down the barriers to an expanding world commerce.

Of one thing I am certain. We cannot do the job on a speculative basis. We can't do business abroad with the idea in mind that we will pull out after a while and leave somebody else holding the bag. Thoughtless selfishness, halfway measures and hesitation can only lead again to defaults and a heritage of bitterness. But with courage and imagination, we can lead the way toward an expanded world trade that will utilize the excess in our production capacity and thereby assure a full utilization of all our resources of capital and labor. This time, the answer must be right -- for the wellbeing and security of all peoples. ---USIS.

#### WASHINGTON-PARIS CABLE LINK OPENED

Washington, Feb. 24 -- The longest direct line in the history of commercial telegraphic communication was opened February 20 between the State Department and the American embassy in Paris. The new service marks the inauguration of the first direct commercial communication with the continent of Europe via cable. It makes possible instantaneous receipt in the Paris embassy of messages sent from the State Department, and thus enables officials of the two offices to engage in two-way teletype conversations:

Formerly, London was the only trans-Atlantic point with which direct communication was possible. Installation of the direct link with Paris eliminates two intermediate relays, in New York and London. Communication with Paris and other points on the continent is thereby greatly speeded. ---USIS.



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# American Newsfile

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293 HORNBY ROAD, BOMBAY.

## MEASURES TAKEN TO ACCELERATE U.S. EXPORTS

New York, Feb. 24 -- American financial policy in war and peace was demonstrated within the last two days of January in two reports transmitted to Congress by President Truman.

On January 30, the President urged Congress to approve a 3,750-million-dollar loan to Great Britain to help eliminate "the dangers inherent in unchecked economic rivalry and economic warfare." The next day, he sent Congress the twenty-first quarterly report on lend-lease operations covering the period ended September 30, 1945. The report said that American lend-lease aid to that date amounted to 46,040 million dollars.

Lend-lease, the program through which the United States helped finance and supply the war machines of its allies, now is being completed. Settlement agreements, the report said, are expected to be reached with all countries by July 1.

While the war program is being brought to a close, the United States is not forsaking its economic aid program to foreign countries in peace. The loan to Britain, which was first discussed with a British delegation five months ago, is an important part of that program. As President Truman said in his message to Congress: "The financial agreement will enable the United Kingdom, through the prompt relaxation of exchange restrictions and discrimination, to move side by side with the United States toward the common goal of expanded world trade, which means expanded production, consumption and employment and rising standards of living everywhere."

Short-term purposes of the credit, the President pointed out, are: to enable Great Britain "to buy from the world the supplies of food and raw material which are essential to the life and work of the British people;" and to "keep open a market for those surpluses of the United States which are customarily exported to the United Kingdom."

The President added: "The United Kingdom, as a result of the war, must continue for a long period many of its emergency wartime financial controls unless it obtains additional working capital. It is apparent that, in the case of a principal member of the International Monetary Fund, we can ill afford to wait for the period permitted by the Bretton Woods agreements for the removal of these hindrances to the financial and commercial relationships between nations."

To establish the International Monetary Fund and the International Bank for Reconstruction and Development, the United States has invited member nations to send delegates to the first meeting of the Boards of Governors to be held at

Wilmington Island, . . .

Wilmington Island, Georgia, on March 8, the State Department announced on January 28.

#### Accelerated Export Program

While attempting to develop long-range plans for the expansion of international trade, the United States also was pushing its immediate export programs. Emergency coal shipments to the seven liberated countries of Europe are ahead of the February schedule, which calls for the dispatch of 1,387,500 tons, the State Department reported. Shipments are being made from ten Atlantic and Gulf Ports as well as from Long Beach, California. And Secretary of Agriculture Clinton P. Anderson announced at the end of January that his department has begun an intensive drive to encourage increased movement of wheat from farms to fill export commitments before July 1.

Importance of the wheat export program was stressed by President Truman on January 26. The President said: "I have become increasingly concerned over the shortages of vitally needed supplies to liberated countries. I am particularly alarmed at what now appears to be a world-wide shortage of wheat..."

"Everything possible must be done to provide the necessary handling, inland transportation, port facilities and ocean transportation required to move all the wheat and flour which can be provided. We must reduce to a minimum the quantity of wheat used for non-food purposes. Also, all other efforts must be made to increase wheat for food, and for this purpose the possibility of increasing the extraction ratio in milling should be explored."

To aid in speeding the movement of wheat for export, the War Shipping Administration on January 25 appointed four advisory committees in four major surplus wheat producing areas of the United States. As the appointments were announced, a WSA official reported that "plenty of ships are now available, the crew situation is rapidly improving and now it is mainly a problem of mobilizing and co-ordinating internal transportation facilities to get wheat to the seaboard."

#### U.S. Has 5,529 Ocean-going Ships

How large the American merchant fleet is was revealed in a U.S. Maritime Commission report on January 26. Despite heavy losses during the war, the report said, the United States had 5,529 sea-going merchant ships of 1,600 gross tons and over at the end of the war. The gross tonnage is almost five times that of the 1939 total.

These ships will be used not only to carry American goods abroad, but also to bring foreign products to the United States, for two-way traffic is basic to the development of international trade. The U.S. Government already has begun to broaden its import program. The Reconstruction Finance Corporation, for example, announced on January 29 that the Office of Metals Reserve is re-establishing a foreign public copper purchase program with plans to buy foreign copper at the rate of 20,000 tons a month during the first six months of 1946.

Another RFC subsidiary, the Rubber Development Corporation, will purchase a large quantity of natural rubber allocated to the United States by the Combined Raw Materials Board, or its successor the Combined Rubber Committee. The State

Department announced . . .

Department announced on January 26 that price negotiations for the purchase had been concluded.

And imports of wood pulp from the end of June, 1945, to mid-January, 1946, amounted to 722,415 short tons, the Department of Commerce announced on January 25.

International trade, like the United States' own reconversion effort, depends largely on how quickly American peacetime production can be expanded. With the settlement of labor disputes in several basic industries American businessmen anticipate peacetime activity of almost unprecedented proportions in 1946, the Civilian Production Administration said in its report on December production, made public on January 28.

While the supply of important construction materials is still inadequate and the backlog of unfilled orders is still large, production of building and building materials is increasing in practically all instances, the Department of Commerce reported on January 29.

#### Stimulating Lumber Production

However, one of the key items in construction, lumber production, continued to decline. As a step to stimulate it, Stabilization Administrator John C. Collet authorized the Office of Price Administration on January 29 to grant an average mill price increase of three and a quarter dollars per thousand board-feet on southern pine lumber, effective May 1.

Bituminous coal production in mid-January, on the other hand, was at its highest since February 1944, with about 12,800,000 tons being produced during the week ended January 19 alone, the Department of the Interior announced on January 29.

Three days earlier, Ickes announced that the value of minerals and mineral products produced in the United States and Alaska during 1945 exceeded the 8,000-million-dollar mark for the third consecutive year. A preliminary estimate set the production figure value at 8,067 million dollars. Gold production, however, declined two per cent in November 1945, interrupting a steady upward trend since June, the Department of the Interior announced on January 31.

Agricultural production is expected to continue at its present high levels. U.S. fats and oils output for the 1945-1946 season is expected to be over 9,000 million pounds, the Commerce Department said on January 29. It is estimated that the expected figure would top that of the preceding season by 200 million pounds, although it would be more than 1,000 million pounds short of the record 1943-1944 season.

And Price Administrator Chester Bowles said the same day that continuation of a major portion of the Government's food subsidy program had headed off an estimated rise of from 75 cents to one dollar 25 cents per week in U.S. families' food bills. ---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

February 27, 1946

BYRNES SAYS PEACE IN PACIFIC IS VITAL TO WORLD STABILITY

Washington, Feb. 26 -- Addressing members of the Far Eastern Commission at their first meeting here today, U.S. Secretary of State James F. Byrnes declared that peace in the Pacific is an essential cornerstone to a stable world structure and that as a policy-formulating body the commission has a major responsibility for ensuring peace and security.

Following is the text of Secretary Byrnes' speech:

It is a pleasure for me to be here today and to extend a cordial welcome to you who have been designated by your governments to serve on the Far Eastern Commission.

The agreement reached at Moscow for establishment of this policy-making group to take the place of the Far Eastern Advisory Commission was one of the major accomplishments of that meeting. The Moscow agreement laid the foundation on which all the Allies involved in the Pacific war could unite for the control

of Japan....

of Japan. Therefore, the convening of this commission, comprising representatives of Great Britain, the Soviet Union, China, France, the United States, the Netherlands, Australia, New Zealand, Canada, India, and the Philippines is a source of genuine gratification.

Even though the task of crushing the Japanese end of the Axis fell largely upon the United States, this Government always desired that control of Japan should become an Allied responsibility. The same unity of action and of purpose that won the war must be maintained if we are to root out the seeds of possible future wars, wherever they may be planted.

Peace in the Pacific is an essential cornerstone to a stable world structure. The guidance of Japan to a position of peaceful association with other nations is, therefore, a task of major responsibility. That responsibility now belongs to you of the Far Eastern Commission.

#### New Phase In Control Of Japan

As the meeting of this new commission opens a new phase in the control of Japan, I should like to commend to you the progress thus far made. The directives issued and the administration established by the Supreme Allied Commander represent sound and significant contributions to the transformation of Japan. While we can, I believe, view our accomplishments to date with considerable satisfaction, we should not for a moment lose sight of the important job that lies ahead.

The weapons of war can be destroyed with relative ease. But social habits, economic order, governmental structure which were party to forging those weapons are not so easy to change. The old structure of power and rule in Japan cannot be eliminated in a matter of weeks or even of months.

The creation of conditions under which political and economic democracy can flourish and survive is a continuing task. The importance of this creative process is so vital to the security and future well-being of us all that it cannot be over-emphasized. The terms of reference agreed to last December in Moscow placed the final and ultimate responsibility for formulating the policies and

principles upon which the peace and security of the Pacific may well be based in your hands.

The mere fact of your presence here signifies the solution of one of the many issues we have faced in concert with our Allies since the end of the war. The results of your labors will, I am sure, result in the solution of many more of the problems that are fast becoming milestones as we continue our march along the road of international cooperation.

I shall now ask General McCoy, representative of the United States on this commission, to act as your temporary chairman in order that you may proceed with the business of organizing yourselves for work under your terms of reference.  
---USIS.

#### RADAR PLANES WILL STUDY STORM HAZARDS TO AIRCRAFT

Washington, Feb. 26 -- The U.S. War Department today announced that the Army Air Forces will conduct a series of flight tests during the coming thunder-storm season to gather data to reduce accidents in flying through major weather hazards.

Ten especially equipped planes will fly around and through thunder-storms this spring and summer in Florida, collecting instrumental and photographic observations on cloud and weather factors. The planes will be radar-equipped, to locate nearby rain and storm areas. With this information, the AAF will be able to develop flight procedure and techniques to avoid many thunder-storm hazards. Concurrently, ground radar and other installations will plot cloud and weather conditions jointly with the U.S. Weather Bureau. ---USIS.

#### TRUMAN AND CHURCHILL FOR MISSOURI

Washington, Feb. 26 -- White House press secretary Ross today said President Truman will leave Washington with former British Prime Minister Churchill on Monday, March 4, for Fulton, Missouri, where Churchill will deliver an address at Westminster College. Returning immediately after the ceremonies at the college, the Presidential party will reach Jefferson early Tuesday evening and St. Louis a little later. ---USIS.

FELLER APPOINTED GENERAL COUNSEL TO SECRETARY GENERAL OF UNO

Washington, Feb. 26 -- Abraham H. Feller, whose appointment as general counsel to the Secretary General of the United Nations with the rank of director was announced in London recently, is an authority on international, administrative and constitutional law, and has written extensively on those subjects.

Born in New York City December 24, 1904, Feller was graduated from Columbia University in New York and Harvard Law School. Afterward he studied international law at the University of Berlin and taught both at the Harvard and Yale law schools.

From 1934 to 1940 Feller was special assistant to the attorney general of the United States. He served as counsel to the temporary National Economic Committee, and in 1941 was consultant to the Lend-Lease Administration. He was deputy director and general counsel of the Office of War Information from 1942 to January 1944, when he was named general counsel of the United Nations Relief and Rehabilitation Administration. Feller served with UNRRA until November 1945.

He was the chief drafting officer of UNRRA council meetings at Atlantic City, Montreal and London, and represented UNRRA at the Bretton Woods International Monetary Conference and the United Nations Conference at San Francisco. In November 1945 Feller was named adviser to the United States delegation to the United Nations General Assembly, in which capacity he was serving at the time of the new appointment. ---USIS.

AIR TRANSPORT COMMAND'S EVACUATION RECORD PERFECT

Washington, Feb. 26 -- The War Department reported a perfect 1945 record for the Army Air Forces' Air Transport Command in evacuating patients from the European and China-Burma-India theaters of operations. A total of 43,496 patients, litter and walking, were evacuated from these areas. There were only two deaths during the year and in neither case was the trip either the cause or contributory factor.

The greatest number of evacuees were flown from Paris, with the United Kingdom as the second. ---USIS.

### TRUMAN NOMINATES KRUG AS SECRETARY OF INTERIOR

Washington, Feb. 26 -- President Truman today announced to a news conference that he had selected Julius A. Krug, former director of the War Production Board, for the post of Secretary of the Interior, replacing Harold I. Ickes. If confirmed by the Senate, Krug would take office March 15, the President announced. Oscar Chapman will continue as assistant secretary of the interior, the President said.

Truman said that Krug is a very able administrator, with much experience in government. He emphasized that this was his own personal selection.

The President also announced that Charles R. Denny, Junior, would be acting chairman of the Federal Communications Commission, to succeed Paul A. Porter, who has been nominated to become head of the Office of Price Administration. Denny is now in FCC.

Answering a query, he said Chester Bowles, new head of the Office of Economic Stabilization, would not have supervision of the Civilian Production Administration. ---USIS.

### CHINA RATIFIES CHICAGO AIR CONVENTION

Washington, Feb. 26 -- The Chinese ambassador deposited with the State Department on February 20 the Chinese instrument of ratification of the convention on international civil aviation.

This makes a total of seven nations which have ratified the convention: Canada, the Dominican Republic, Nicaragua, Paraguay, Poland, Turkey and China. The convention comes into force when 26 of the 52 nations at the Chicago conference of December 1944 have ratified it. ---USIS.

U.S. EXAMINING DOCUMENTS ON SPAIN'S COLLABORATION WITH AXIS

Washington, Feb. 26 -- Secretary of State Byrnes told his press conference today that the date when documents on Spain's collaboration with Germany during the war will be published would depend greatly upon the progress made in examining all the documents and whether the information contained in them was of such character that they should be published immediately.

He added that the purpose of going through these documents is to see if there is any justification for releasing them, and he emphasized that it was a joint British-American project and would be subject to consultation between the two governments. The United States would be glad to consult with the French Government on it.

Asked if Leon Blum of France would be empowered to discuss matters affecting a three-power common front on the Spanish question, Byrnes replied that he did not know, that he understood that Mr. Blum is head of the financial mission and that he could not anticipate what he intends to talk about. That will have to develop, he added.

Asked if the United States has heard as yet from the French Government regarding its decision Monday to enter into consultations for a possible break in relations with Spain, Byrnes said that he had heard nothing on it.

Asked if he had any comment on the closing of the Franco-Spanish frontier, Byrnes replied in the negative. In response to a question, he said that the French had not communicated with the United States that the present situation in Spain constitutes a danger to international security.

Relations With Yugoslavia

A reporter said that last December the State Department announced recognition of the establishment of a republic in Yugoslavia and that when the new government confirmed its recognition of existing treaties with the United States the latter would accredit its ambassador in Belgrade to the new regime. The reporter asked if this regime had given any indication of its position regarding the old treaties.

Byrnes replied that it has not, and that he had talked to Yugoslavian representatives but no answer had yet been made about the matter.

He said that Mr. Patterson, U.S. ambassador in Belgrade, has remained ambassador, although he was originally accredited to King Peter's Government. Pending receipt of assurances as to the validity of U.S. treaties, Patterson has not been accredited to the Tito Government, he said, but has the status of a political representative.

Asked if he had been informed by the Canadian Government that some American names will be disclosed at the trial of alleged spies, Byrnes reiterated his statement of last week that the Canadian Government had not given him or the President any information that any American official or citizen was involved in the investigations.

Asked if the peace conference in May is postponed, would he request a meeting of foreign ministers? Byrnes replied that he had no reason for believing that it will be postponed. If the conference were postponed, his request for a foreign ministers' meeting would depend on the length of the postponement. ---USIS.

#### U.S. HAS 40 PER CENT OF WORLD'S MERCHANT SHIPPING TONNAGE

Washington, Feb. 25 -- The Department of Commerce today said the withdrawal of a substantial volume of United States merchant ship tonnage from active operation at the present time would result in scarcity of world tonnage and higher freight rates. The Department pointed out that the United States now has approximately 40 per cent of the world's total merchant tonnage. World shipping rose from 60,600,000 gross tons at the beginning of the war to 69,335,000 gross tons at the end of June 1945. The United States and Canada were the only countries able to increase their seagoing merchant tonnage during the war. Great Britain, Norway, Denmark, France, Greece and the Netherlands suffered substantial losses during the war. ---USIS.

TRUMAN APPLAUDS BERMUDA AIR AGREEMENT

Washington, Feb. 26 -- President Truman made the following statement today in connection with the recently concluded Bermuda air conference:

I want to express my satisfaction with the conclusion of an air transport agreement with the United Kingdom at Bermuda on February 11. It is now clear that the very difficult problems in specialized technical areas in the relations of the two countries can be worked out separately from the overall financial and trade negotiations which took place during the fall.

Under the Bermuda agreement, there will be no control of frequencies, and no control of the so-called fifth freedom rights on trunk routes operated primarily for through service. It gives to airline operators the great opportunity of using their initiative and enterprise in developing air transportation over great areas of the world surface.

Because civil aviation involves not only problems of transportation but security, sovereignty and allied problems as well, the joint working out of air transport agreements between nations is a most difficult one. Many countries naturally desirous of having air transport companies of their own and with treasuries heavily depleted by their war efforts have a genuine fear of the type of rate war with which the history of various forms of transportation has been so full. In the Bermuda agreement the executive branch of the United States Government has concurred in a plan for the setting up of machinery which would protect against the type of rate war feared by so many of the countries through whose air space we desire that our airlines have the right to fly. A part of the plan for future rate control will be dependent on the granting of additional powers by the Congress to the Civil Aeronautics Board.

The major purpose of the two governments in regard to civil air transport has now been set forth in writing and it reads "that the two governments desire

to foster . . .

to foster and encourage the widest possible distribution of the benefits of air travel for the general good of mankind at the cheapest rates, consistent with sound economic policies; and to stimulate international air travel as a means of promoting friendly understanding and goodwill among peoples and insuring as well the many indirect benefits of this new form of transportation to the common welfare of both countries."

I believe the results of the conference constitute a very important forward step.---USIS.

COMMERCE DEPARTMENT COMPILING STATISTICS OF U.S. FOREIGN INCOMES

Washington, Feb. 26 -- The Department of Commerce is seeking to compile accurate statistics on incomes from direct investments made by United States firms in foreign countries and has requested information from 400 firms holding an estimated 90 per cent of all such investments, it was announced today by the international payments unit of the Office of Business Economics.

Last detailed figures on the value of such investments were published before the war. In 1940 Americans derived 450 million dollars in income from a total direct investment of 7,000 million dollars. Much of this foreign investment, particularly that held in Europe, Japan, British Malaya and the Netherlands Indies was written off by American firms, but investments in Latin America paid large dividends during the war.

Although few foreign bonds are being floated in this country now, the unit is asking banks to furnish information on such holdings. During the thirties these foreign dollar bond holdings were drastically reduced and it is estimated that only about 2,500 million dollars at par value are still outstanding in the United States.---USIS.

NEW ZEALAND PREMIER IN WASHINGTON

Washington, Feb. 25 -- New Zealand prime minister Peter Fraser arrived today for a two-day visit in Washington, en route home from the UNO meetings in London. On his calendar are meetings with Secretary of State Byrnes and other United States officials. He and his party were guests of the State Department at a luncheon at Blair House today.

Commenting on UNO, Fraser said he was much encouraged by the first session which "by and large was good." He stated that nothing but good could come from frank and open discussions. Fraser specially praised the UNO speech of Congressman Sol Bloom on UNRRA and also the speech of Mrs. Eleanor Roosevelt on the subject of displaced persons. He said that UNO's support for UNRRA was very satisfactory, "and among other things the conditions of millions in India who faced starvation was brought home to the conference with tragic suddenness."

Fraser said he believed it would be dangerous to denude Germany of the machinery and industrial equipment essential to the life of any nation. The machinery of production should be left to the Germans, so they can ultimately feed and clothe themselves, he stated.---USIS.

TRUMAN SUPPORTS UNITED JEWISH APPEAL

Washington, Feb. 26 -- President Truman yesterday issued the following statement to a delegation from the United Jewish appeal:

"In the trial of war criminals at Nuremberg the fact has been established that 5,700,000 Jews perished under the murderous reign of Hitlerism. That crime will be answered in justice. There are left in Europe 1,500,000 Jews -- men, women and children -- whom the ordeal has left homeless, hungry, sick, and without assistance. These, too, are victims of the crime for which retribution will be visited upon the guilty. But neither the dictates of justice nor that love of our fellowmen which we are bidden to practice will be satisfied until the needs of these sufferers are met."---USIS.

POSTWAR FOREIGN TRADE OUTLOOK SURVEYED

Washington, Feb. 26 -- A Department of Commerce review said that the countries of western Europe, Scandinavia and the Philippine Islands are the only areas among those formerly Axis-controlled that have made any appreciable progress in resuming general foreign trade and, particularly, in returning to private commercial channels since war's end.

In his final article of a series on current trends in foreign trade policies, appearing in the current issue Foreign Commerce Weekly, the department's consultant on commercial policy, Henry Chalmers, reviews trade conditions in areas that were practically cut off from commercial contact with the outside world during the war.

Disorganized post-war conditions, transportation disruption and inadequacy of foreign exchange assets handicap European countries, in varying degrees, from resuming normal trade. The general attitude is that much governmental control and some direct governmental participation in foreign trade is essential at least for the present, the article says.

During 1945 most of the western European and Scandinavian countries made considerable progress toward a roughly balanced exchange of desired products, chiefly by private firms under government license. All these governments have declared their intention to restore most, if not all, of their foreign trade to commercial channels.

This action, the article continues, awaits arrangements to improve internal economic conditions, unfreeze funds abroad, and extend new credits for urgent imports. Several western European countries have already authorized certain direct imports from the United States by private firms, and progress is expected in that direction during 1946.

In eastern Europe, re-establishment of foreign trade was generally less advanced by the end of 1945 due to greater political and economic disorganization,

limits imposed . . .

limits imposed by close economic orientation with the Soviet Union, and, in the case of former satellites, by heavy deliveries required by reparations accounts. The large measure of governmental control expected over domestic industries may not necessarily extend to foreign transactions, but there is little indication so far of how much scope individual eastern European countries will give to private foreign trade.

In the Far East, the Philippines is most advanced in restoring external trade through normal commercial channels. China has relaxed the wartime licence system on imports, and regular commercial shipping to Shanghai has been resumed; but active commerce between China and foreign countries is still hindered by the strict export control and the highly abnormal exchange situation.

In the colonial areas of southeast Asia, the general prospect appears to be that government agencies or authorized commercial groups will handle external trade for the present, with gradual restoration under government licence of individual private transactions. ---USIS.

#### U.S. BOOKS FOR WAR-DEVASTATED LIBRARIES ABROAD

Washington, Feb. 27 -- Acting Secretary of the Interior Chapman announced today that several thousand copies of the publications issued by the various bureaus of the Department of the Interior will help to replenish library shelves in 18 foreign countries that were devastated by the war.

Chapman said that publications are now being selected from overstocked supplies by diplomatic representatives of the various countries in accordance with the plans that have been worked out jointly by the publications section of the Division of Information and the American Book Center for War-Devastated Libraries (a private organization).

Chapman added that the Department of the Interior is the first Government agency to participate in this enterprise, but other departments are expected to make substantial contributions. ---USIS.

FILIPINO CONFIDENCE IN U.S. A SYMBOL TO THE FAR EAST

Washington, Feb. 26 -- United States High Commissioner to the Philippines, Paul V. McNutt, over the NBC program titled "Our Foreign Policy," said the fact that the Philippines will achieve independence on July 4, 1946, does not reduce the U.S. obligation to the Filipinos, and "for many years there will be a special relationship" between the Philippine and the American people.

McNutt in discussing the future of the Philippines called for the passage by the United States Congress of the Bell bill, which would give Philippine industry 28 years of preferential tariff, and the Tydings bill, which authorizes 450 million dollars for rebuilding public works and for paying for war damages in the Philippines. McNutt said these bills have the support of the President and that Congress is now ready to act.

McNutt pointed out that because of the war the Philippines are "now a devastated land" burned over, blasted, shattered and plundered.... He added:

"But that is just the physical appearance. Much worse damage has been done to the Philippines as a nation. The national economy has been destroyed and wrecked. More than 95 per cent of the total Philippine production before the war was for export, if you exclude rice and fish, both of which were locally consumed. More than 90 per cent of the country's exports went to the United States.

"The Japanese shattered the Philippine economy. Sugar lands were ordered to be turned to cotton. Tobacco lands were left fallow. Coconut and hemp lands were ordered to be cultivated, but the orders went unheeded. The Filipinos wouldn't work for the Japanese masters. Even at gun point, the loyal Filipino millions offered quiet but immovable resistance. Today there are no crops for export. There is almost no economy."

McNutt added that the United States has vital interests in the Philippines. He said:

"Not referring to our commercial interests, which are important, I am

referring to . . .

referring to our broader interests in the Orient and the world, which are based upon our united determination to keep and maintain the peace.

"For this purpose, the United States has a special obligation in the Far East. In that part of the world, it is the armed might of the United States, actual and potential, which must be depended upon by the United Nations Organization to furnish the police power and moral hindrance to would-be aggressors. For this purpose we need bases in the Far East. And bases in the Far East mean bases in the Philippines. Those bases are not intended merely to protect the Philippines, nor the United States, but are primarily intended to give authority to the conscience of the world.

"But arms are not enough. Atom bombs are not enough. We need the friendship and confidence of the millions of people of the Orient. The 18 million people of the Philippines are our ambassadors in the Orient. The continuing faith of those Filipinos is a symbol to the entire Far East of our good will and democratic practice. We must not, we dare not, lose that faith."---USIS.

#### AMERICAN REMITTANCES ABROAD TOTALLED 300 MILLION DOLLARS IN 1945

Washington, Feb. 26 -- The Commerce Department today said that during 1945 Americans and foreigners residing in the United States remitted over 300 million dollars to friends and relatives abroad, chiefly in Europe, Latin America and China, and the prospect is that these remittances will increase sharply in the next few years.

The Department said since the close of the war there has been a sharp rise in remittances, but on the basis of present estimates it is not considered likely that the record of 700 million dollars in remittances set in 1919 will be equalled. Present figures are only preliminary, the Department noted. However, more accurate information is being gathered and the results will be published on a quarterly basis beginning this spring.---USIS.

MANY U.S. INSTALLATIONS OVERSEAS SOLD

Washington, Feb. 26 -- Approximately 1,000 out of some 4,000 installations in foreign areas owned or controlled by the United States Army and Navy had been disposed of by September 30, 1945, according to a report released by the clearing office for foreign transactions of the Department of Commerce. Disposals took place in almost 50 countries, with notable concentration in Canada. Second was the United Kingdom and next in order were Iran, Australia, France and its possessions, Iceland and Italy and its possessions.

Air ports and air bases predominated in the disposed installations. Transport facilities were next, with storage facilities and seaports, wharves and docks respectively third and fourth. A specific figure of 1,965 installations is given in the clearing office report as the number of facilities still owned or controlled in foreign areas by the Army and Navy on September 30, 1945.

In addition, there were an estimated 1,000 other facilities on September 30 that were controlled by the War Department in Japan, Korea and other areas of the Pacific, for which no reports were available. Installations include airports, harbor facilities, living quarters, hospitals, storage and transportation facilities, mining facilities and agricultural production facilities. ---USIS.

"FATHER OF U.S. SUPER-HIGHWAYS" IS DEAD

Washington, Feb. 26 -- Representative J. Buell Snyder, Democrat of Pennsylvania, died Feb. 24 of a heart attack in Pittsburgh, Pennsylvania. The 68-year-old legislator was serving his seventh term in Congress. He was chairman of the important House sub-committee on War Department appropriations, which allocated millions of dollars to the Army during the war.

Representative Snyder, a former school teacher and principal, was first elected to Congress in 1933 and became known in Congress as the "father of transcontinental super-highways." He was also co-author of the 1945 original Guffey-Snyder Bituminous Coal Act. ---USIS.

### SURPLUS PROPERTY PROCEEDS FOR EXCHANGE OF STUDENTS

Washington, Feb. 26 -- Education of United States students abroad and foreign students in the U.S. received strong support yesterday in testimony before the Senate military affairs subcommittee hearing on a bill (SB.1636), which designates the Department of State as the disposal agency for surplus property outside continental United States, its territories and possessions.

Under the terms of the bill, introduced by Senator Fulbright, the Secretary of State would be authorized to enter into agreements with foreign governments for the use of currencies or credits acquired through the sale of surplus property for the purpose of providing, by the formation of foundations or otherwise, the financing of studies, research, instruction, library operation and other educational activities of American citizens in schools and institutions of higher learning in foreign countries or of citizens of foreign countries who desire to attend American schools in continental United States.

Passage of the bill was urged by William Benton, Assistant Secretary of State for Public and Cultural Relations, by representatives of the National Education Association and the American Council on Education, and by William Nichols, editor of This Week.---USIS.

### OCCUPATIONAL UNITS WILL HAVE JET-PROPELLED AIRPLANES

Washington, Feb. 26 -- U.S. Army Air Force headquarters announced yesterday that approximately 300 jet-propelled Lockheed P-80 Shooting Stars will be assigned to AAF occupational units on duty in Europe and in the Pacific areas. About 150 planes will go to each occupation area, with half of the specified number to arrive in April and the remainder during the summer.

The P-80 recently set a transcontinental speed record of 4 hours, 13 minutes and 23 seconds (average speed, 584 m.p.h.) clipping 64 minutes off the B-29's transcontinental record, only seven weeks old.---USIS.

SAUDI ARABIAN MINISTER HOPES FOR CLOSER TIES WITH THE U.S.

Washington, Feb. 25 -- Aza Al Fakih, new Saudi Arabian minister to the United States, told the press today that he took his post in the firm belief that the traditional ties between his government and the United States would be continued and strengthened. He declared Saudi Arabia will develop its oil resources "for the benefit of Saudi Arabia and for the benefit of those nations desiring to purchase oil."

Pointing out that the new refinery on the Persian Gulf produces 100,000 barrels a day, Fakih said his government would consider additional foreign concessions if more deposits are found. He believed United States companies would continue to hold concessions because of the satisfactory relations in the past, but emphasized that Saudi Arabia makes no distinction between countries or companies in granting concessions, and has discussed oil development plans with the French.

Saudi Arabia's attitude on Jewish immigration to Palestine is in complete harmony with that of the Arab League, Fakih said, adding that his personal opinion was that the idea of a Jewish homeland in Palestine was an "impossible dream" which would do the Jews more harm than good. The immigration of some 600,000 Jews in the last 20 years makes it more difficult than ever to develop the country economically, he stated. The problem of Palestine is a political one having to do with Arab nationalism, and is not religious, Fakih said.

He said that half of the new airfield in eastern Saudi Arabia, begun as the country's contribution to the war effort, is now in operation. The field will be completed in about two months as a civilian project. It may be used for military purposes for three years and is operated for Saudi Arabia mainly by Americans, Fakih said.

Fakih knew of no plans to resume diplomatic relations between his country and Russia. ---USIS.

U.S. SHIPPING LINES DEMAND RIGHT TO RUN AIR SERVICES

Washington, Feb. 26 -- The National Federation of American Shipping, claiming to represent the greater part of the United States shipping industry, yesterday issued a 25-page report criticizing the Civil Aeronautics Board for "ignoring" the applications of steamship companies for supplementary air routes.

The report said CAB, while not allowing the use of aircraft by surface lines, is permitting foreign airlines to capture United States markets abroad. At the same time, the report said, CAB policy may mean economic ruin of United States shipping lines because of "estimates that 50 per cent of the passengers normally carried by steamship lines in the past will be diverted to air transportation."

The statement said the position of CAB is based upon the false assumption that it was the intention of Congress to prohibit one type of carrier from making use of another in its operations. Shipping leaders pointed out that they are seeking permission to use airplanes and flying boats in parallel services over their existing shipping lanes to service their regular customers.

---USIS.

MEXICAN DEFENSE MINISTER TO VISIT U.S. ARMY INSTALLATIONS

Washington, Feb. 26 -- The Mexican minister of national defense, Lt. Gen. Francisco Urquiza, visited President Truman at the White House Monday and presented a message of greeting from President Avila Camacho of Mexico. On leaving the White House Gen. Urquiza said he had expressed best wishes for the President's personal welfare and for the welfare and happiness of the American people both on behalf of the Mexican president and himself.

He and his party left immediately for West Point Military Academy as guests of the War Department. They will inspect several other army installations in the United States before returning to Mexico early in March. ---USIS.

EDITORIAL SAYS UNO MUST MAKE START IN INFORMATION FREEDOM

New York, Feb. 26 -- An editorial entitled "A Freedom To Be Won" in Monday's New York Herald Tribune said that the American Society of Newspaper Editors has reminded the United States delegation to the United Nations Organization that free access to the news of the world will not be achieved without effort, and that the time to make that effort is now. It added:

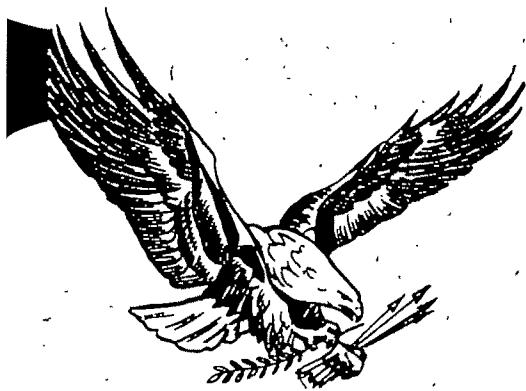
There is a growing list of instances of news suppression and distortion which are condoned, if not vigorously supported, by the governments of many nations. The misunderstandings and frictions arising from such a trend surely warrant the legitimate concern of the UNO and particularly of the American delegates.

The standing committee (of ASNE) does endorse, and urges prompt action upon, the American request that the Commission on Human Rights of the UNO undertake a study of the problem of freedom of information with a view to the preparation of an international convention on the subject. This is only the beginning of what is certain to be a lengthy process, but it is a beginning which must be made if freedom of information is to be won.---USIS.

UNRRA'S SEARCH FOR MISSING AND DISPLACED PERSONS

Washington, Feb. 26 -- Headquarters of UNRRA announced yesterday that it is conducting an unprecedented search for displaced persons torn from their families by the Nazis. UNRRA's central tracing bureau is making extensive use of Nazi death records from concentration camps.

The tracing bureau staff, operating from the new headquarters at Arolsen, Germany, each day checks voluminous lists of names, helping to determine whether missing persons are still alive. More than 100,000 names were found at Flossen-berg alone, arranged by nationality, date of birth, reason for arrest, date of death or transfer to another camp. Buchenwald records contain 26,000 names. Beside death lists, the records also contain entries of valuables taken from the prisoners. At Flossenberg this file indicated eight tons of dental gold. --USIS.



FOR IMMEDIATE RELEASE

# American Newsfile

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## U.S. DELEGATION TO UNO URGES WORLD TRADE CONFERENCE

Following is the text of the resolution relating to the proposed general world conference on trade and employment which has been introduced in the UNO Economic and Social Council by the U.S. delegation to UNO:

1. The United Nations have already taken important steps toward the establishment of international machinery for the promotion of economic co-operation among nations with the object of preventing and removing economic and social maladjustments, of achieving fairness and equity in economic relations among states and of raising the level of economic well-being among all peoples. The Food and Agriculture Organization of the United Nations, the International Monetary Fund, and the International Bank for Reconstruction and Development have already been established as contributions in their respective fields toward the achievement of these objectives. The Economic and Social Council has been established as the agency for integrating the activities of all of these agencies into an effective whole.

2. It is essential that the cooperative economic measures already taken be supplemented by further measures dealing directly with trade barriers and discriminations which stand in the way of an expansion of multilateral trade and by an undertaking on the part of nations to seek full employment.

3. Cooperative action with respect to employment and to trade barriers and discriminations is indispensable to the success of such other measures as those dealing with monetary and exchange stability and the flow of investment capital. Effective action in regard to employment and to trade barriers and discriminations must therefore be taken or the whole program of international economic cooperation will fail and an economic environment conducive to the maintenance of peaceful international relations will not be created.

4. The Government of the United States has proposed that the United Nations should call such a conference in 1946, and has published a set of Proposals for the Expansion of World Trade and Employment for consideration by the peoples of the world and to serve as a basis for discussion in an international conference, in the belief that previous international conferences in the field of commercial policy have had but limited results because they were for the most part confined to policies in the abstract and not closely enough integrated with arrangements for concrete action. The United States Government is further invited a number of governments to meet together for the negotiation of reduction of specific trade barriers and discriminations in advance of the general international conference. Similar negotiations are to be proposed to all other countries of like mind as rapidly as possible.

5. These initiatives have been welcomed by a number of delegations in opening debate of the General Assembly.

6. The Economic and Social Council has been authorized in general by article 62 of the Charter of the United Nations to call international conferences on matters falling within its competence and specifically by supplementary rule T of the provisional rules of procedure of the General Assembly to call a Conference on International Trade and Employment. The Economic and Social Council therefore

A. Agrees in conformity with supplementary rule T to sponsor the convening of the latter part of 1946 of an International Conference on Trade and Employment for the purpose of promoting the expansion of the production, exchange and consumption of goods.

B. Proposes that the major chapters of the agenda of this conference shall be as follows:

- (a) International agreement relating to the achievement and maintenance of high and stable levels of employment and economic activity.
- (b) International agreement relating to regulations, restrictions, and discriminations affecting international trade.
- (c) International agreement relating to restrictive business practices.
- (d) International agreements relating to inter-governmental commodity arrangements.
- (e) Establishment of an International Trade Organization to be a specialized agency of the United Nations having responsibilities in the fields of (b), (c) and (d), above.

C. Hereby constitutes a Preparatory Committee of the Economic and Social Council to elaborate an annotated draft agenda, including a draft convention, for consideration by the conference, taking into account suggestions which may be submitted to it by the Economic and Social Council, or directly by members of the United Nations. The members of this committee shall consist of representatives designated by the governments of the countries referred to in paragraph 4, above, and of two other countries, members of the Economic and Social Council, designated by the Council. A representative of the secretariat of the Council shall participate without the right to vote in the meetings of the Committee.

D. Requests the president of the Economic and Social Council to confer with members of the Council and with the Secretary General with a view to reporting to a subsequent session of the Council recommendations as to what states, if any, not members of the United Nations, should be invited to the Conference on Trade and Employment. ---USIS.